

House Calendar No. 1

105TH CONGRESS } <i>1st Session</i>	HOUSE OF REPRESENTATIVES	{ REPORT 105-1
----------------------------------------	--------------------------	-------------------

IN THE MATTER OF REPRESENTATIVE NEWT GINGRICH--
pages 1101 to 1200

The Honorable Newt Gingrich
October 31, 1994
Page 4

L. A May 4, 1993, memorandum from Ms. Prochnow to Dr. Mescon, Mr. Eisenach and Mr. Gaylord, regarding Ms. Prochnow's efforts to raise funds for the course from various contributors. (Exhibit 12.)

M. Two May 10, 1993, memoranda from Ms. Prochnow to Mr. Gaylord, Dr. Mescon, and Mr. Eisenach, regarding Ms. Prochnow's efforts to raise funds for the course from Corning and from Richard Berman. (Exhibit 13.)

N. A May 24, 1993, GOPAC fax from Mr. Eisenach to Dr. Mescon regarding the budget for the course. (Exhibit 14.)

O. A June 4, 1993, memorandum from Ms. Prochnow to Dr. Mescon, faxed from GOPAC, regarding funding for the course from Cracker Barrel. (Exhibit 15.)

P. A June 8, 1993, letter from Mr. Eisenach to Dr. Mescon on the letterhead of Washington Policy Group, Inc. (and signed by Mr. Eisenach as President of WPG), regarding WPG's role as project manager of the Renewing American Civilization course. Among the names on the routing slip to which the letter was attached are those of Ms. Prochnow and Mr. Gaylord. (Exhibit 16.)

Q. A June 15, 1993, memorandum from Michael DuGally to Dr. Mescon on GOPAC letterhead regarding fundraising for the course. The words "College Republicans" (apparently from a fax transmittal) appear in the upper left corner of the document. (Exhibit 17.)

R. A June 15, 1993, invoice for WPG's project management of the Renewing American Civilization course. WPG's address on the invoice is the same as GOPAC's. The invoice was faxed to Dr. Mescon from GOPAC on GOPAC letterhead. (Exhibit 18.)

S. A June 27, 1993, GOPAC memorandum from Mr. DuGally to Dr. Mescon regarding putting Nancy Desmond and Jana Rogers (who at the time, according to the complaint and news accounts, were on the Progress and Freedom Foundation and GOPAC payrolls, respectively) onto the Kennesaw State College payroll from July 1 through October 1, 1993. (Exhibit 19.)

T. A July 7, 1993, Renewing American Civilization weekly report indicates that 19,000 registration flyers will be included in a "GOPAC Farmteam mailing." (Exhibit 20.)

U. A series of July 15, 1993, fundraising letters sent by Mr. Eisenach on Kennesaw State College letterhead, but faxed from GOPAC. (Exhibit 21.)

Exhibit 137

The Honorable Newt Gingrich
October 31, 1994
Page 5

V. Federal Express records show that GOPAC's Federal Express account number was used by Renewing American Civilization, and that numerous Federal Express packages were sent from Kennesaw State College to GOPAC. (Exhibit 22.)

W. Handwritten notations on Mr. Eisenach's American Express account statement appear to indicate that, within the space of three days in early June 1993, he was doing work on behalf of WPG, PFF, the Kennesaw State College Foundation, and GOPAC. (Exhibit 23.)

In addition to the above, various other documents related to the course were sent out on GOPAC letterhead, were sent from GOPAC's fax machine, used GOPAC's address as a place to mail materials related to the course, and referred to registration materials being included in GOPAC Farmteam mailings.

► In light of the restrictions on the activities of tax-exempt educational organizations, why was a Republican political action committee involved in developing and obtaining funding for the course?

► Describe your involvement in fundraising for the course, from its conception through its execution.

► Who designed the marketing strategy for the course? What was that strategy? Describe your role in designing, implementing, and/or reviewing that strategy.

2. On September 2, 1993, a draft letter to the editor was sent from Mr. Eisenach to Dr. Mescon (for Dr. Mescon's signature). (Exhibit 24.) This letter addressed the involvement of GOPAC employees in the course. With respect to Ms. Prochnow's involvement, the letter stated:

Pamla Prochnow, GOPAC's new finance director, had just joined the organization from the Peace Corps, where she coordinated foundation support for their programs. I talked with her about the kinds of foundations that might be interested in supporting us, and she made a few calls to charitable foundations -- but made no efforts to contact GOPAC supporters.

The letter also noted that Mr. Eisenach had resigned his position at GOPAC on June 1, and "has no ongoing relationship with GOPAC."

On September 3, 1993, a memorandum was sent out to site hosts for the course from Jana Rogers, laying out points to make in response to press inquiries about GOPAC's

Exhibit 137

The Honorable Newt Gingrich
October 31, 1994
Page 6

involvement in the course. (Exhibit 25.) One of these was to note that the funds for the course had been "raised by and for the Kennesaw State College Foundation."

The documents described above appear to indicate that Mr. Eisenach was aware that Ms. Prochnow's involvement in fundraising went beyond making "a few calls to charitable foundations," and that his own role with GOPAC had not been terminated on June 1. Nor were all funds for the course raised by the Kennesaw State College Foundation; GOPAC's role in raising funds is documented above.

- Was anyone connected to the Renewing American Civilization course instructed to deny that GOPAC had played a role in developing or raising funds for the course? If so, why?
- Was GOPAC's involvement in the course ever disclosed to the Internal Revenue Service?
- Why was GOPAC's involvement not disclosed to this Committee?

3. A July 21, 1993, letter from Mr. Eisenach to Ralph Vinovich of the Tobacco Institute states that the goal of the course is "[t]o train, by April 1996, 200,000+ citizens into a model for replacing the welfare state and reforming our government." (Exhibit 26.) Similarly, an August 4, 1993, letter which you signed states that "our goal is to have 200,000 committed citizen activists nationwide before we're done." (Exhibit 27.) Neither of these documents makes reference to specific political parties or politicians. However, other documents concerning the focus of the course and efforts to target certain individuals to enroll in it, appear to be overtly partisan in tone.

For example, the May 3, 1993, draft letter to be sent to College Republican chapters (Exhibit 9), states in part: "The recent tribulations of the Clinton Administration have made all of us feel a little better about our short-term prospects. But conservatives today face a challenge larger than stopping President Clinton." The letter also addresses its recipients as "fellow Republican[s]," and urges them to ask their "fellow CRs" to join in taking the class. A June 25, 1993 memorandum written by Mr. Eisenach concerning the media strategy for the course proposes a more direct anti-Clinton pitch:

We think [Clinton's] vision of the future is fundamentally at odds with the American idea and the underlying consensus in current American culture -- which is what makes him, by necessity, a liar (if he told the truth, he'd be rejected by

Exhibit 137

The Honorable Newt Gingrich
October 31, 1994
Page 7

75 percent of the people the next day). We believe our vision of the future -- once stated -- will win the day, and we are going, finally, to enter the fight.

(Exhibit 28.) While you never actually took steps to exclude Democrats from the course, you were quoted in the August 4, 1993, issue of the Kennesaw State College Sentinel as saying that you would not allow "liberal ideas." (Exhibit 29.) Other documents describe efforts to encourage College Republican chapters and other Republican organizations to subscribe to the course.¹ Still others show that registration materials for the course were sent directly to a number of Republican organizations. A number of local Republican party headquarters became sites for viewing the course.

These circumstances -- the stated goal of the course to "train" more than 200,000 citizen activists to "replac[e] the welfare state and reform[] our government," the overtly partisan tone of some of the documents, the fact that you (as well as other course organizers) are readily identified with the Republican party, and the fact that the course appears to have been targeted exclusively at groups and individuals predisposed to support a Republican agenda -- together can be seen as giving rise to the inference that the goal of conducting the Renewing American Civilization course has not been exclusively educational, but has rather been to promote Republican party activism and a Republican agenda.

► What was the goal of conducting the Renewing American Civilization course?

► Do you know whether, during the period of time that the course was affiliated with Kennesaw State College, the Kennesaw State College Foundation renewed its tax-exempt status with the Internal Revenue Service? If so, what was disclosed to the IRS by the Foundation? Do you know whether the IRS commented on or questioned the Foundation's involvement with the course or efforts to raise funds for the course? If so, what did the IRS say with respect to these issues?

4. In order for the Committee better to understand the material which you discussed in the Renewing American Civilization course, please provide copies of your course materials, including textbooks, outlines, and discussion topics.

¹For example, a July 7, 1993, Renewing American Civilization Weekly Report (Exhibit 20) lists as an agenda item: "Will recruit volunteers at 7/8/93 KSC College Republican meeting." The July 21, 1993, Weekly Report (Exhibit 30) states: "The response to Renewing American Civilization at the College Republican National Convention was overwhelming. . . . I also handed out 400 Site Host Guides to College Republicans . . . NCRNC says it will work aggressively with their state chairmen to help us set up sites know [sic] that the convention is over." A July 31, 1993, Renewing American Civilization expense report (Exhibit 31) shows a number of expenses incurred in connection with the college Republican convention.

Exhibit 137

The Honorable Newt Gingrich
October 31, 1994
Page 8

5. How was it decided what entities and individuals would be solicited for contributions to Renewing American Civilization? How did Ms. Prochnow decide whom she would contact? Were you consulted in advance about Ms. Prochnow's fundraising activities? If so, did you approve them?

6. When and how did the Progress and Freedom Foundation become involved in raising funds for the course? What relationship, if any, exists or existed among the following organizations: the Progress and Freedom Foundation; Washington Policy Group; and GOPAC?

7. Other than documents submitted by Mr. Jones with his complaint, have you reviewed or approved any documents concerning efforts to raise funds for the Renewing American Civilization course (including fundraising letters and internal memoranda concerning fundraising) which refer to any of the following:

- A. GOPAC;
- B. the Republican or Democratic party;
- C. any Republican or Democratic candidate for any public office;
- D. efforts to recruit candidates for any public office; or
- E. President Clinton or the Clinton Administration?

If so, please provide copies of any such documents to the Committee.

Your comments regarding the above documents and questions, and any documents you wish to provide, will be very helpful to the Committee in deciding what action to take with respect to Mr. Jones' complaint. If you would like to discuss any of these questions, please contact us. We look forward to receiving your response.

Sincerely,


Jim McDermott
Chairman

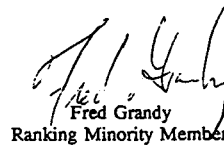

Fred Grandy
Ranking Minority Member

Exhibit 137

EXHIBIT 138

NEWT GINGRICH
SIXTH DISTRICT, GEORGIA

THE REPUBLICAN WHIP

WASHINGTON OFFICE
TAYLOR HOUSE OFFICE BLDG.
WASHINGTON, DC 20515-1008
(202) 225-4501



Congress of the United States
House of Representatives
December 8, 1994

3822 Roswell Road
Suite 200
Marietta, GA 30067
(404) 545-8291

FILE COPY

The Honorable Jim McDermott
Chairman
Committee on Standards of Official Conduct
Room HT2, The Capitol
Washington, D.C. 20515

Dear Jim and Fred:

I am again responding to questions you have raised regarding the pending ethics complaint by my election opponent, Mr. Ben Jones.

You have already found that there was no misuse of congressional resources. Only your inquiries into alleged "improper use of a tax-exempt organization for a political activity" persist. To put these concerns to rest once and for all, I shall again attempt to clarify how:

- (1) "Renewing American Civilization" is an "educational activity," not a "political activity;"
- (2) GOPAC did not create, fund, or administer "Renewing American Civilization;" and
- (3) Funding of "Renewing American Civilization" by tax-exempt foundations was at all times consistent with tax law and policy.

I respectfully urge you to reconvene the Committee on Standards of Official Conduct and dismiss this complaint.

BACKGROUND OF EVENTS.

As you know, I have long been concerned by what I perceive as the decaying of American civilization. In response I have sought new visions of the future to serve as organizing paradigms for our nation's progress over the next several decades. I outlined such concepts in a special order of January 25, 1993, and decided to further develop and explore these philosophic topics via an educational forum.

From the beginning, I have fully informed you of my actions and sought your advice unsolicited. My staff and I conferred

The Honorable Jim McDermott
 December 8, 1994
 Page 2

with David McCarthy, then counsel to the Committee, to discuss the proper contents of my request for a Committee opinion letter. Mr. McCarthy's recommendations were followed when I requested such an opinion letter on May 12, 1993. He specifically recommended that any GOPAC personnel's involvement in fundraising for the Foundation was irrelevant to the Committee. You responded on August 3, 1993, informing me that Members who "teach on an uncompensated basis...do not need this Committee's approval." Further, you stated that "Members may solicit funds on behalf of charitable organizations qualified under Section 170(c) of the Internal Revenue Code."

Entitled "Renewing American Civilization," the course I subsequently taught at Kennesaw State College was, by design and application, completely non-partisan. It was and remains about ideas, not politics. To prevent even the appearance of improper motivation or conduct, I did not accept any compensation for my teaching.

Sixty-two days before the 1994 general election and just two days prior to the deadline for filing complaints to this Committee, Ben Jones -- my electoral opponent -- filed the complaint at issue. Mr. Jones alleged misuse of congressional resources for unofficial or political purposes and improper use of a tax-exempt foundation to subsidize political activity. Despite immediate electoral obligations, I conducted an extensive investigation to respond to the complaint. My investigation revealed twelve dollars in stationary and faxes inadvertently sent from my Congressional office. I promptly repaid the twelve dollars.

One week prior to the election you agreed that no misuse of congressional resources had ever occurred. In the subsequent material you received from Mr. Jones, he further alleges that a former part-time employee of my Georgia district office (Dr. Steve Hanser) was involved in inappropriate "staff overlap." This is not true. I have enclosed a copy of the Clerk of the House Report from 1992 as well as the termination papers for Dr. Hanser which prove to the Committee that Dr. Hanser was terminated from my Congressional staff prior to any involvement in "Renewing American Civilization."

Your letter on the eve of the election -- which was regrettably but promptly leaked to the papers -- asked only for further clarification regarding the nature of "Renewing American Civilization" and its alleged association with GOPAC. Republican Leader Bob Michel attempted to address your concerns earlier, as

Exhibit 138

The Honorable Jim McDermott
December 8, 1994
Page 3

did I, but we were apparently unsuccessful.

"RENEWING AMERICAN CIVILIZATION" IS AN "EDUCATIONAL ACTIVITY,"
NOT A "POLITICAL ACTIVITY."

"Renewing American Civilization" is a graduate-level educational course, formerly offered at Kennesaw State College's School of Business Administration for five quarter-hours credit. By design and in application, the course was and remains completely non-partisan.

Unfortunately, my status as an active political figure invited certain uninformed observers to presume that the course entailed political indoctrination, rather than educational exploration. No such charges could credibly have been raised by any objective observer familiar with the contents of the course. The fact is, no such allegations would ensue if this exact course were identically taught by Stanford University's Hoover Institute Professor Milton Friedman. Nor should former Representative Stephen Solarz's current course at George Washington University, entitled "Challenges to U.S. Foreign policy," be automatically dismissed as political, irrespective of its tone or content. The political versus educational nature of academic exercises may only be determined by what it said, not who says it.

I urge you to review the course materials (ENCLOSED) and actual presentations (ENCLOSED on VIDEO), for they surely will demonstrate the non-partisan, apolitical nature of the course. Specifically, please note:

- * There are as many references to Franklin Roosevelt, Jimmy Carter, and Martin Luther King, Jr. as there are to Ronald Reagan or Margaret Thatcher.
- * None of the course material addresses specific political parties, nor are any critiques of modern leaders included.
- * Respected scholars such as James Q. Wilson, Everett Carl Ladd, and Larry Sabato continue to contribute to and review course content.
- * Course registration materials target neither Democrat nor Republican, speaking instead to those who "believe it is impossible to maintain civilization with: 12-year-olds having babies; 15-year-olds killing each other; 17-year-olds dying of AIDS; and 18-year-olds

Exhibit 138

The Honorable Jim McDermott
December 8, 1994
Page 4

getting diplomas they can't read." (Attachment #1)

GOPAC DID NOT CREATE, FUND OR ADMINISTER
"RENEWING AMERICAN CIVILIZATION."

The idea to teach "Renewing American Civilization" arose wholly independent of GOPAC, because the course, unlike the committee, is non-partisan and apolitical. My motivation for teaching these ideas arose not as a politician, but rather as a former educator and concerned American citizen, one who is deeply committed to restoring the intellectual vitality of our nation. This course neither benefits GOPAC nor originates therefrom.

GOPAC never contributed any funds in support of the "Renewing American Civilization" project. Contributions for the course came primarily from educational foundations and from Atlanta-based businesses such as Coca-Cola, Lockheed-Georgia, Cracker Barrel and Turner Broadcasting. I have enclosed a Summary of the 1993-1994 Contributions to the Kennesaw State College Foundation for the "Renewing American Civilization" project. (Attachment #2)

As a political action committee, GOPAC never participated in the administration of "Renewing American Civilization." Where employees of GOPAC simultaneously assisted the project, they did so as private, civic-minded individuals contributing time and effort to a 501(c)(3) organization. Conclusions drawn from the fact that these individuals inadvertently or ill-advisedly continued to use GOPAC stationary and fax machines and continued to work out of GOPAC mailing addresses -- the entire basis of Mr. Jones' complaint -- are superficial and irrelevant.

The fact is, "Renewing American Civilization" and GOPAC have never had any official relationship. Anticipating media or political attempts to link the Course to the Committee, "Renewing American Civilization" organizers went out of their way to avoid even the appearances of improper association with GOPAC. Before we had raised the first dollar or sent out the first brochure, Course Project Director Jeff Eisenach resigned his position at GOPAC. Local site hosts were reassured as to the lack of GOPAC involvement and were urged to "(t)ell the truth about what you are doing, why you are participating in the class, etc." because there is nothing to hide. (Attachment #3) Most significantly, David McCarthy was specifically asked whether Course organizers who simultaneously worked at GOPAC need reveal their dual employment to this Committee. Mr. McCarthy assured my staff that

Exhibit 138

The Honorable Jim McDermott
December 8, 1994
Page 5

such coincidences were irrelevant and not within the Committee's jurisdiction.

FUNDING OF "RENEWING AMERICAN CIVILIZATION" BY TAX-EXEMPT FOUNDATIONS WAS AT ALL TIMES CONSISTENT WITH TAX LAW AND POLICY.

"Renewing American Civilization" supporters contributed to two organizations -- the Kennesaw State College Foundation and the Progress and Freedom Foundation. GOPAC, as a political action committee, never contributed to either foundation. GOPAC's decision not to contribute to these foundations could not have been based on tax law considerations, however, since the law currently allows such donations. Logically, GOPAC must not have contributed because it is a political organization whose interests are not directly advanced by this non-partisan educational endeavor.

I am sure that all foundations and entities in question are fully-prepared to allay any concerns, should they be expressed by the government agency charged with administering the tax laws -- the IRS. To date, however, IRS inquiries have not exceeded a telephone call, despite the considerable election-eve press generated by Mr. Jones' eleventh hour complaint. The fact is that the IRS is not asleep, this Committee's commendable vigilance notwithstanding. Rather, Mr. Jones' allegations have no merit and no basis whatsoever in tax law or policy.

To be thorough I asked former Internal Revenue Commissioner Donald Alexander to examine this question. I have enclosed Mr. Alexander's analysis for your review. (Attachment #4) He confirms that GOPAC expenditures on behalf of "Renewing American Civilization" -- were they intentional or inadvertent -- would have been allowable under the tax laws. He asserts "that the fundraising methods and sources of funds complained of in the letter of October 31 are irrelevant to the question whether Kennesaw College Foundation, the sponsor of the Renewing American Civilization course, is entitled to tax-exempt status."


Exhibit 138

1111

The Honorable Jim McDermott
December 8, 1994
Page 6

In conclusion, I once again suggest that all the facts necessary for your consideration of this matter are in your possession. I respectfully urge you to reconvene the Committee on Standards of Official Conduct and dismiss this complaint.

Sincerely,

A handwritten signature in dark ink, appearing to read "Newt", with a stylized flourish extending from the end.

Newt Gingrich

NG:aet

EXHIBIT 139

BARSKI TAB 2

DAVID E. BONIOR
MICHIGAN

H-207, THE CAPITOL
WASHINGTON, DC 20515-0530
(202) 225-5130

One Hundred Fourth Congress
U.S. House of Representatives
Office of the Democratic Whip

January 26, 1995

The Honorable Nancy Johnson
The Honorable James McDermott
Committee on Standards of Official Conduct
U.S. House of Representatives
HT-2 U.S. Capitol
Washington, DC 20515

RECEIVED
95 JUN 26 AM 9: 57
COMMITTEE ON STANDARDS


Dear Representatives Johnson and McDermott:

Attached to this letter for consideration by your Committee is an exact copy of a complaint alleging violations of the House Ethics Rules by Congressman Newt Gingrich.

I am transmitting this complaint to the Committee on Standards of Official Conduct pursuant to Rule 14(d) for the purpose of initiating a Preliminary Inquiry into the matters set forth in the complaint.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,


David E. Bonior
Democratic Whip

enclosure

Exhibit 139

CERTIFICATE OF SERVICE

This is to certify that I have today, by hand delivery, provided an exact copy of this complaint and all attachments to the Respondent in this matter, Congressman Newt Gingrich, at the following address:

H-232
The Capitol
U.S. House of Representatives
Washington, D.C. 20515

Dated: *January 26, 1995*


Complainant

Exhibit 139

1114

★ ★ ★

BEN JONES
1608 CORNISH MOUNTAIN ROAD
COVINGTON, GEORGIA 30209
(404) 385-9325

January 26, 1995

The Honorable Nancy Johnson
The Honorable James McDermott
Committee on Standards of Official Conduct
HT2, The Capitol
Washington, D.C. 20515

Re: Amended Ethics Complaint Against Representative
Newt Gingrich

Dear Madam Chairwoman and Congressman McDermott:

Introduction

This Amended Complaint is brought against Speaker Newt Gingrich pursuant to House Rule X, cl. 4(e)(2), which authorizes the House Committee on Standards of Official Conduct to investigate "any alleged violation, by a Member, officer or employee of the House, of the Code of Official Conduct or of any law, rule, regulation or other standard of conduct applicable to the conduct of such Member . . . in the performance of his duties or the discharge of his responsibilities, and after notice and hearing to recommend to the House . . . such action as the committee may deem appropriate . . ." The complaint is supplemented by new information recently available described herein.

Exhibit 139

As detailed in previous complaints and press accounts, Mr. Gingrich has violated House rules, statutes and standards of conduct in: 1) misusing official resources in pursuance of assertedly non-official "educational" purposes, 2) securing assistance, compensation and financial support from outside sources with interests in legislation and on whose behalf he intervened before the federal government; 3) negotiating and intending to consummate a book contract which is inconsistent with the full time responsibilities of holding high public office, 4) securing a lucrative book deal from a publishing company and its principal while contemporaneously discussing and meeting with them at a time the company and its principal had significant matters pending before Congress and federal agencies; and 5) soliciting the purchase of products of entities he controlled by outside business interests and seeking to supplement official staff resources from those outside interests.

As has been fully documented in the prior complaints, Mr. Gingrich fabricated a so-called "college course" intended to meet certain political, not educational objectives. The college did not have or wish to make available funding for the lectures, so Mr. Gingrich directed his political committee, GOPAC, to solicit contributions for two purportedly tax-exempt entities which managed and directed the planning of the course. One of these entities, the Progress and Freedom Foundation ("PFF") is closely linked to Mr. Gingrich and his political organization.

Through tax-exempt, tax-deductible contributions, solicited by his political committee and with the assistance of official government resources, taxpayers have subsidized the cost of Mr. Gingrich's political mission, and the essential research which makes possible a lucrative, multi-million-dollar book contract which will directly benefit him personally.

Mr. Gingrich made extensive use of government resources to advance this scheme,

Exhibit 139

including the use of full-time salaried employees, and the use of telephone service, facsimile machines and official supplies. Congressman Gingrich also used his office and in particular the prospect of legislative access and favor to secure contributions for this elaborate, political enterprise, and created the appearance of impropriety by offering promotional time in the course lectures to donors. Further, Mr. Gingrich has brought discredit upon himself and the House of Representatives through his refusal to comply with unanimous rulings of the Federal Election Commission to fully disclose the activities of his political committee, GOPAC.

Prior complaints have documented that from start to finish, GOPAC sponsored and ran this enterprise. As the scheme grew in size and scope, Mr. Gingrich authorized the creation of a tax-exempt entity, the Progress and Freedom Foundation, which now completely manages the lecture program. The President of this foundation, Mr. Jeffrey Eisenach, served as the "Project Director" for the initial version of the lecture series, and subsequently used his position at the foundation to initiate negotiations with an agent to represent Mr. Gingrich in a book contract based upon the lectures.

So important was this enterprise to Mr. Gingrich that he wrote to one donor, "There is nothing in my professional life to which I am more committed than making this class a success, and nothing I think I could do that would make a bigger difference for our country's future." (Letter to Mr. Richard J. Fox of August 10, 1993). An extraordinary statement by a public official with the important official responsibility of representing the 6th Congressional District of Georgia.

This second amended complaint specifically reincorporates and realleges the previously filed complaints and additionally alleges as follows:

Exhibit 139

COUNT I**GOPAC AND RELATED ENTITIES USE OF
OFFICIAL RESOURCES CONSTITUTES A
VIOLATION OF HOUSE RULES AND STATUTES**

Mr. Gingrich has formed an interlocking group of entities whose purpose was to advance his political and ideological goals under the guise of charitable and educational activities. One of these entities -- Renewing American Civilization -- is the vehicle for the course Mr. Gingrich taught at Kennesaw State College, and now teaches at Reinhardt College. From the beginning, the RAC project was a GOPAC sponsored and run endeavor.

As the documentation submitted with the prior complaints clearly shows, the RAC project has used official resources, contrary to House rules and ethical precedents, including:

- 1) congressional aide Linda Nave was tasked by Gingrich to meet with course officials on legal compliance and House rules;
- 2) congressional press secretary Alan Lipsett drafted press releases about the RAC project;
- 3) Tony Blankley, a congressional aide, participated in, directed and supervised the RAC project on government time;
- 4) official stationery and facsimile facilities were used on June 25, September 7 and 8, 1993 all relating to the RAC project, and
- 5) Hundreds of phone calls were placed and received on official phones and facsimiles to and from course officials in Georgia.

House Rule XLIII, cl. 6 requires that campaign and personal funds be kept separate; House Rule XLIII, cl. 11 requires that official letterhead not be used by outside organizations or lent in a way that conveys sponsorship or endorsement. The foregoing use of official resources by GOPAC and RAC, violates these rules; in addition, the ethics committee has

proscribed use of official resources to teach courses like RAC. In the alternative, if the foregoing is not entitled to the "teaching" exemption, then it constitutes use of official resources for partisan campaign purposes and accordingly is barred by House Rule XLIII, cl. 6 which prohibits a Member from commingling official and campaign resources.

More importantly, Mr. Gingrich has twice before been admonished by the Committee for inappropriate use of official stationery for private ventures. In the most recent instance, the Committee warned the Congressman "... a future recurrence of improper use of mail and resources may result in more severe Committee action."

COUNT II

TENDER OF A \$25,000 CHECK IN CONNECTION WITH A LEGISLATIVE HEARING VIOLATES HOUSE RULES AND STATUTE

On July 1, 1993 Richard Berman, Executive Director of the Employment Policies Institute, tendered a check to Mr. Gingrich for \$25,000 payable to the Kennesaw State College Foundation. In a handwritten note on the letter transmitting this check, Mr. Berman inscribed "Newt - Thanks again for the help on today's Committee hearing."

The federal anti-bribery statute, 18 U.S.C. § 201 (b)(1), provides:

(b) Whoever -

(1) directly or indirectly, corruptly gives offers or promises anything of value to any public official or person who has been selected to be a public official, or offers or promises any public official or any person who has been selected to be a public official to give anything of value to any other person or entity, with intent -

(A) to influence any official act; ... shall

be fined not more than three times the monetary equivalent of the thing of value, or imprisoned for not more than fifteen years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States.

Exhibit 139

Mr. Berman's note thanking Mr. Gingrich for "help" on a committee hearing is prima facie evidence of the tender of something of value to influence an official act in violation of the anti-bribery provisions of 18 U.S.C. § 201 (b).

In addition, 18 U.S.C. § 201(b)(2) also provides that whoever -

(2) being a public official or person selected to be a public official, directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity, in return for:

(A) being influenced in the performance of any official act:

is also guilty of a violation of its provisions. Mr. Gingrich's receipt of the \$25,000 is also a violation of section 201 (b)(2).

COUNT III

THE SOLICITATION AND USE OF TAX DEDUCTIBLE FUNDS FOR PARTISAN POLITICAL PURPOSES VIOLATES TAX LAW AND HOUSE RULES

Both the Kennesaw State College Foundation (KSCF) and the Progress and Freedom Foundation (PFF) are organizations to which contributions are tax-deductible because they purport to meet the requirements of Section 501(c)(3) of the Internal Revenue Code, including: a) they may "not participate or intervene in . . . any political campaign on behalf of (or in opposition to) any candidate for public office ; and b) they must be "organized and operated exclusively for [exempt] purposes."

Despite these legal restrictions, Mr. Gingrich used his official staff and GOPAC consultants in the curriculum, fundraising and implementation of the programs fostered by these groups. The Renewing American Civilization course has been marketed primarily through Republican organizations; fully 80% of the course funding came from contributions to GOPAC or Gingrich's own campaign committee.

Exhibit 139

In addition, the persons solicited for support are primarily partisan Republican groups, including College Republican chapters.

Mr. Gingrich's own statements about the course indicate his partisan purposes:

"The recent tribulations of the Clinton Administration have made all of us feel a little better about our short-term prospects. But conservatives today face a challenge larger than stopping President Clinton. We must ask ourselves what the future would be like if we were allowed to define it, and learn to explain that future to the American people in a way that captures first their imagination and then their votes."

Both Congressman Gingrich and Mr. Eisenach wrote to interested parties that the purpose of the RAC project was to recruit 200,000 partisans for the 1996 elections. These partisan motives reveal the true purpose of these organizations and constitute a blatant violation of tax exempt funds. This constitutes a violation of the Internal Revenue Code which is a statute applicable to the conduct of Members under House Rule X, cl. 4(e)(2).

COUNT IV

PROVISIONS OF THE "TO RENEW AMERICA" BOOK DEAL VIOLATE HOUSE RULES AND STANDARDS

1. The Book Deal Violates House Rules Requiring Member to Devote "Full Time" to Their Duties.

According to press accounts and public disclosures, Mr. Gingrich negotiated a book deal with HarperCollins, a subsidiary of the Rupert Murdoch media empire. Originally structured to yield a \$4.5 million "advance" to Mr. Gingrich before sale of a single book, the deal now apparently has been modified to forego the colossal advance -- characterized by The Washington Post as one of the largest public official book deals ever and which The Wall Street Journal called "unprecedented for a sitting Member of Congress" -- and is now expected to yield upwards of \$2 million in sales.

First, the book deal violates existing House Rules, limiting income from writing for

Exhibit 139

publication to "the usual and customary value of such services". House Rule XLVII, cl. 5. In addition to exceeding the "usual and customary" value for such publications, it violates the proscription that Members pursue "full time" their official and representational duties and no others.

As the House ethics manual states "... it is inconsistent with the concept that being a Member... is a full time job to permit substantial earnings from other employment." Advisory Op. No. 13 (Oct. 1978). In further narrowing the outside activities in which a Member may engage, the House banned all honoraria outright and prohibited Members from practicing law, medicine or any profession involving a fiduciary relationship or from serving on the boards of corporations, associations or other entities. Ethics-in-Government Act of 1989, 5 U.S.C. App. 7, § 502. Abusing the limited "copyright royalty" exception from the earned income ban to produce a multi-book contract of these proportions violates the "full time" standard, particularly given Mr. Gingrich's ascension to the Speakership -- the highest ranking constitutional House officer -- with its myriad and weighty additional responsibilities. See House Rule I."

2. The "Bidding" for the Book Contract at the time that Murdoch Interests Were Embroiled in Government Decisions and Had Initiated a Lobbying Campaign Raises Prima Facie Violations of House Rules.

As The Wall Street Journal reported on January 13, 1995: "Shortly before Rupert Murdoch's publishing firm offered House Speaker Newt Gingrich a \$4.5 million book deal, the two men discussed the media baron's high stakes battle over whether his television stations violated foreign ownership rules, Mr. Murdoch's spokesman said."

It was after this meeting on November 28, 1994 that Lynn Chu, Mr. Gingrich's agent, created an unorthodox bidding war on the book designed to drive up the price without

genuine competition. Other putative bidders have been quoted in the press as stating, for example, that: "The price had increased by another million and something dollars... Little, Brown did not participate because the price tag was too high for what we believed we could earn back." The Washington Post, Jan. 13, 1995 D8, col. 1. The Associated Press reported on January 12, 1995 that HarperCollins original bid \$2 Million but the "price ballooned after Gingrich started a bidding war . . ." which ultimately ended with Harper Collins more than doubling the original advance.

However, another publisher stated "The frustration was not that we didn't bid, but that we couldn't. It's the only time I've ever participated in an auction and could not get a bid in." (emphasis added) Id. An "auction" without competing bids is not an auction and further colors this Murdoch controlled largesse as the kind of non arms-length deal which demands scrutiny under House rules.

Just like the "royalty" contract in the Wright case, which the Committee pierced to find was nothing more than a "joint venture between two friends who together created, published and marketed Wright's book in order to provide Wright with income", Wright Report at 12, this "auction" appears to be an arrangement to steer Murdoch largesse to Mr. Gingrich at the very time Murdoch had begun his efforts to beat back adverse government action.

As the Wright Report concluded "the mere existence of a 'royalty' contract between Wright and Moore's Madison Publishing does not mean that Wright's income may be properly characterized as royalty income". Mr. Gingrich has even compounded his dependence upon Mr. Murdoch's largesse when he altered the agreement to accept only a one dollar advance and accept royalty payment based upon actual sales. As the deal is now structured, Mr. Gingrich is dependent upon the resources HarperCollins decides to devote to

marketing the book, or in the words of another publisher, "...how hard the HarperCollins people push will be one of the factors in determining Gingrich's profits." New York Daily News, January 17, 1995, 7C. This transaction violates the Code of Ethics for Government Service because Mr. Gingrich's book deal could be deemed to constitute accepting favor or benefits that might be construed as influencing the performance of his official duties.

3. **Rupert Murdoch's Lobbyist Has Admitted that the November 28 Meeting Had As Its Purpose Influencing Mr. Gingrich In Connection With Its Fight With NBC.**

On January 16, 1995, The Wall Street Journal revealed that Rupert Murdoch's lobbyist, who attended the November 28th meeting with Murdoch and Gingrich, admitted that the meeting was part of an intensive lobbying effort by Murdoch surrounding a pending FCC proceeding. The Associated Press reported Murdoch's spokesman as saying Murdoch met "with 17 other officials" the same week as his meeting with Gingrich to discuss "issues involving the entertainment industry." Taken together with the previously described rigged "auction" designed to advantage Mr. Gingrich personally, the Murdoch largesse constitutes a prima facie violation of the Code of Ethics for Government Service and the Code of Official Conduct House Rule XLIII, cl. 3.

COUNT V

IMPROPER SOLICITATION OF OUTSIDE CORPORATE INTERESTS (BUSINESS ROUNDTABLE/MANAGED FUTURES ASSOCIATION)

In December, 1994, according to press accounts, Mr. Gingrich attended a meeting of the Business Roundtable, an association of corporations and business interests, and solicited assistance from these private interests to supply staff support in connection with his performance of official duties. In addition, he solicited and requested directly and through

Exhibit 139
Amended Complaint, Page 10

an agent that these private participants purchase tapes and other products created by entities affiliated with him or in which he has a direct interest. Similarly, Mr. Gingrich invited attendees at a Florida convention of investment managers on January 11, 1995 to purchase copies of tapes produced by a foundation which underwrites his political activities. First, the solicitation of assistance from private outside resources to supplement or augment official staff resources constitutes the creation and operation of an unofficial office account prohibited by House Rule XLV. In addition, he "urged the Roundtable executives to buy videotapes of the college class he teaches in Georgia to learn more about his agenda." Wall Street Journal, Dec. 23, 1994, A1, col. 5. He also invited the Florida convention attendees to "Just call 1-800-TO-RENEW in a "pitch for video and audio tapes of his lecture series." Knight Ridder Financial News, Jan. 11, 1995.

House Rule XLIII, cl. 3 provides that a Member "shall receive no compensation to accrue to his beneficial interest nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in Congress." (emphasis added) The purchase of videotapes, receipts from which go to Gingrich related entities, and possibly to Gingrich himself in the form of royalties, accrue to his beneficial interest in that they permit him to expand his political and partisan campaign beyond the limits of officially delineated resources. Also, the marketing and sale of Gingrich related products to lobbyists and businessmen with an "interest in legislation" was precisely the issue found by special counsel in the Speaker Wright case to have stated a violation of House rules. See Report of the Special Outside Counsel in the Matter of Speaker James C. Wright, Jr., House Comm. on

Exhibit 139

House Rule XLV, effective January 3, 1978 prohibits the maintenance or reliance on outside sources of funds to defray activities in the operation of a congressional office.

marketing the book, or in the words of another publisher, "...how hard the HarperCollins people push will be one of the factors in determining Gingrich's profits." New York Daily News, January 17, 1995, 7C. This transaction violates the Code of Ethics for Government Service because Mr. Gingrich's book deal could be deemed to constitute accepting favor or benefits that might be construed as influencing the performance of his official duties.

3. **Rupert Murdoch's Lobbyist Has Admitted that the November 28 Meeting Had As Its Purpose Influencing Mr. Gingrich In Connection With Its Fight With NBC.**

On January 16, 1995, The Wall Street Journal revealed that Rupert Murdoch's lobbyist, who attended the November 28th meeting with Murdoch and Gingrich, admitted that the meeting was part of an intensive lobbying effort by Murdoch surrounding a pending FCC proceeding. The Associated Press reported Murdoch's spokesman as saying Murdoch met "with 17 other officials" the same week as his meeting with Gingrich to discuss "issues involving the entertainment industry." Taken together with the previously described rigged "auction" designed to advantage Mr. Gingrich personally, the Murdoch largesse constitutes a prima facie violation of the Code of Ethics for Government Service and the Code of Official Conduct House Rule XLIII, cl. 3.

COUNT V

IMPROPER SOLICITATION OF OUTSIDE CORPORATE INTERESTS (BUSINESS ROUNDTABLE/MANAGED FUTURES ASSOCIATION)

In December, 1994, according to press accounts, Mr. Gingrich attended a meeting of the Business Roundtable, an association of corporations and business interests, and solicited assistance from these private interests to supply staff support in connection with his performance of official duties. In addition, he solicited and requested directly and through

Exhibit 139

where the public could construe official action as favoritism, particularly where they neither reside nor conduct business in the Member's district. The company assisted by Mr. Gingrich is neither located or conducting business within his district. The House ethics manual incorporates the standard imposed by the Senate in the so-called Keating five case, cautioning that "every Senator always must endeavor to avoid the appearance that the Senator... may be influenced by campaign contributions or other benefits provided by those with significant legislative or governmental interest." House Ethics Manual quoting S. Rep. No. 223, 102d Cong., 1st Sess. 11-12 (1991).

Contributions to the Foundation by the company and employees on whose behalf Mr. Gingrich intervened is similar to and within the preliminary finding of the special counsel in the Wright case that Speaker Wright's intervention with federal banking agencies on behalf of four Texas savings and loan executives violated House Rule XLIII, cl. 1 as interpreted by Advisory Opinion No. 1. See Wright Report, *supra* at 24, 192-197.

COUNT VII

THE CONDUCT DESCRIBED IN DETAIL IN THIS COMPLAINT AND PRIOR COMPLAINTS VIOLATES RULE XLIII, CL. 1

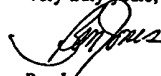
House Rule XLIII, cl. 1, makes it a violation of the Code of Official Conduct for a Member to act in a manner that fails to reflect credibly on the House. The course of conduct described herein, including misuse of official resources, the acceptance of things of value in return for the performance of official acts, the abuse of special tax exempt status and funds to promote partisan political purposes, the promotion of donors within the lectures of a purported "educational" enterprise, the negotiation through a rigged bid of a multi-million dollar book deal from an entity and a company controlled by a principal with legislative interests, intervention with federal agencies on behalf of contributors and financial

Exhibit 1:

supporters, and the flagrant disregard of Federal Election Commission unanimous judgments in the GOPAC case, taken together fails to reflect credibly on the House consistent with House Rule XLIII, cl. 1 and the precedents established thereunder.

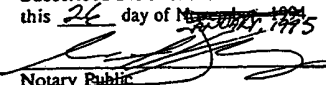
Representative Gingrich's expansion of his activities relating to his so-called college "course", and his efforts since becoming Speaker to promote the ancillary products of this project serve to reinforce the need for a professional, independent investigation of these charges. Taken together with the prior complaints, it is once again requested that the Committee issue a statement of preliminary inquiry and fully investigate the facts of circumstances of these matters. The Committee should act expeditiously to then impose the appropriate sanctions under the rules of the House.

Very truly yours,



Ben Jones
1608 Cornish Mountain Road
Covington, GA 30209

Subscribed and sworn to before me
this 26 day of ~~November, 1994~~
~~February, 1995~~


Notary Public

My commission expires:

Caroline F. Kiemp
Notary Public, Dist. of Columbia
Commission Expires April 30, 1996

Enclosures

Exhibit 139

EXHIBIT 140

PFF
4347

WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

JAN WITOLD BARAN
(202) 429-7330

March 27, 1995

FACSIMILE
(202) 429-7049
TELEX 248349 WYRN UP

Representative Nancy Johnson
Representative James McDermott
House Committee on Standards of Official Conduct
U.S. House of Representatives
Washington, DC 20515

Re: Response to Request for Investigation of Speaker
Newt Gingrich Regarding the Speaker's "Renewing
American Civilization" College Course and Other
Related Matters

Dear Chairwoman Johnson and Congressman McDermott:

This office represents Speaker Newt Gingrich. We have been asked to respond to a complaint filed with the Committee on January 26, 1995 by Democratic Whip David Bonior and Ben Jones ("amended complaint"). This complaint amended a September 7, 1994 complaint ("initial complaint") filed against Mr. Gingrich by Ben Jones during their election campaign.

The Speaker has already filed two extensive responses to the initial complaint. See Gingrich Oct. 4, 1994 Letter to McDermott (attached hereto as Exhibit 1); Gingrich Dec. 8, 1994 Letter to McDermott (Ex. 2). In addition, on March 15, 1995, this office filed a response to the charge in the amended complaint that the Speaker's pending book contract

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 2

violates House Rules. This Response addresses the remaining allegations in the amended complaint.

INTRODUCTION

The amended complaint is one of four complaints that have been lodged against Mr. Gingrich in recent months. On February 13, 1995, Gary Ruskin and Ralph Nader filed a complaint regarding the Speaker's relationship to Mr. Joseph Gaylord. On February 23, 1995, this office submitted a response demonstrating how the Speaker's professional relationship with Mr. Gaylord is entirely proper and lawful under House rules and applicable federal law.

Even as our response to the Nader-Ruskin complaint was being submitted, Representatives Pat Schroeder, Cynthia McKinney and Harry Johnston were filing a new complaint regarding the cablecasting of the Speaker's academic lectures on certain educational cable channels. On March 3, 1995, this office submitted yet another response establishing that the cablecasting arrangement is consistent with House rules and standards. Finally, on March 8, 1995, Minority Whip David Bonior filed a fourth complaint alleging that the Speaker has used improper official resources to promote his

Exhibit 14C

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 3

academic lectures. This office plans to submit a response to that complaint next week.

In responding to each of the foregoing complaints, the Speaker has sought to file timely and comprehensive submissions, and has provided the Committee with substantial supporting documentation to allow efficient and full review all of the allegations. As with each of the prior complaints, if the Committee during its review of the amended complaint should require any additional information, please do not hesitate to contact either this office or the Speaker's office.

In a March, 1993 speech, Mr. Gingrich stated that he wanted to resume teaching while serving in Congress out of the belief that an intellectual renewal of core American values was critical to solving the nation's major domestic challenges. Dr. Tim Mescon, an acquaintance of the Speaker and dean of the Kennesaw State College School of Business Administration, heard Mr. Gingrich speak and invited him to teach a course at the college. George Tobin, "Mud Path: The Baseless Accusations Against House Speaker Newt Gingrich Show How Much He Worries the Liberal Establishment -- And How

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 4

Little His Critics Really Care About Ethics," National Review, Apr. 3, 1995 at 44 (Ex. 3). As a result, in the autumn of 1993 the Speaker began teaching a 20-hour course on American public policy entitled "Renewing American Civilization."

The amended complaint alleges that the Speaker's academic activities violate House rules and federal law. The complainants also lodge the unrelated charge that the Speaker improperly solicited outside corporate interests in an attempt to establish an unofficial office account.

These allegations are baseless, malicious and without merit. The Speaker's academic endeavors are entirely appropriate under all applicable House rules and standards and were approved by this same Committee. Mr. Gingrich and his staff sought out the Committee's advice on how to lawfully teach Renewing American Civilization. He received a written opinion letter from the Committee approving his participation in the course after verbal recommendations from Committee counsel on what should and should not be brought to the Committee's attention. With the exception of a few de minimis errors which have since been corrected and dismissed by the Committee, the Speaker and his staff have followed the

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 5

Committee's opinion letter and guidelines on how to design and implement the course consistent with all ethical standards. The charge that the Speaker sought to create an unofficial office account is equally baseless.

Accordingly, Mr. Gingrich strongly urges the Committee to dismiss the amended complaint.

FACTUAL BACKGROUND

As the Committee knows, the Speaker has long been concerned by what he perceives to be the decaying of American civilization. In response, during the early 1990s Mr. Gingrich spent considerable time thinking about how the American people as a nation can revitalize and improve themselves over the next several decades.

In exploring this important subject, the Speaker read several major philosophical works on quality and profound knowledge, studied David Osborne's concept of reinventing government, and reviewed the work of many leading public officials, including Senator Sam Nunn and then-Governor Bill Clinton. Gingrich May 12, 1993 Letter to McDermott at 1 (Ex. 4).

On January 25, 1993, Mr. Gingrich outlined these concepts in a Special Order entitled "Renewing American

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 6

Civilization" (Ex. 5). During the winter and spring of 1993, Mr. Gingrich began researching, drafting and editing 20 special orders on renewing American Civilization, and the Speaker decided to explore these important intellectual matters in depth by teaching a college course. Gingrich May 12, 1993 Letter to McDermott (Ex. 4).

1. Mr. Gingrich Informed the Committee of His Proposed Academic Activities and Actively Sought the Committee's Advice

As he has done with prior outside projects, Mr. Gingrich, before beginning any academic work, contacted the Committee to confirm that his proposed activities were consistent with all applicable House rules and standards.

a. **The Speaker Sought an Opinion Letter.**

The Speaker first sought an opinion letter from the Committee to ensure that his proposed academic activities were lawful. In a May 12, 1993 letter to the Committee, the Speaker indicated that:

[T]o ensure that there can be no question of motivation or intent I am accepting no money for teaching . . . [Renewing American Civilization and] [n]o Congressional money will be involved in the course itself. . . . The course will be completely non-partisan. Neither Democrat nor Republican will be mentioned in the lectures (although I can't guarantee what will happen during question and

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 7

answer sessions, it is my hope that we will focus on positive and fundamental principles in a way that avoids critiques of either the Congress or the Clinton Administration) If the committee has any concerns about this project, I would be glad to meet with your staff and develop a set of guidelines that will protect both the integrity of the House and the integrity of the intellectual project.

Gingrich May 12, 1993 Letter to McDermott at 2-3 (Ex. 4).

In addition, Mr. Gingrich's letter to the Committee made clear that he anticipated his staff would play a role in developing the course's content, but only if the staff could participate consistent with House rules:

[T]he course clearly overlaps with my official functions in many ways. One section of the course will be on health. As Republican Whip and Co-Chairman of the Leader's Task Force I have been working with two of my staff on that issue. I would draw on their ideas and research for the special orders and the lectures When meeting with constituents and others I share information on the course and encourage them to consider participating in it. I also would like for my staff to do this with groups and individuals with which they meet.

Id. at 3. Finally, Mr. Gingrich informed the Committee that he would be involved in raising funds for the course, but

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 8

that he would not use any taxpayer-financed mass mailings to obtain donations. *Id.* at 2.¹¹

- b. The Committee Asked the Speaker for More Information and the Speaker and his Staff Consulted With Committee Counsel David McCarthy.

After reviewing Mr. Gingrich's May 12, 1993 letter, the Committee informed the Speaker that it could not issue an opinion letter without obtaining additional information on his proposed course. Accordingly, during June and July of 1993, Mr. Gingrich and his staff met twice with then-Committee Counsel David McCarthy and "exhaustive[ly]" reviewed the Speaker's proposed academic plans. McCarthy Dec. 1, 1994 Letter to Representative Hobson at 1-3 (Ex.

¹¹ The Speaker's letter specifically stated: "I will do no ~~mass mailings~~ about the course." *Id.* (emphasis added) As the Committee knows, "mass mailing" is a term of art under the franking statute that refers to refer to mailings Members make pursuant to the franking privilege.

Exhibit 14C

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 9

6);² Gingrich Oct. 4, 1994 Letter to McDermott (Ex. 1);
 Gingrich Dec. 8, 1994 Letter to McDermott (Ex. 2).

During these summer 1993 consultations with Mr. Gingrich and his staff, Mr. McCarthy indicated that the Speaker could lawfully include his course lectures in Special Orders on the House floor. McCarthy Dec. 1, 1994 Letter to Representative Hobson at 1 (Ex. 6). In addition, Mr. McCarthy advised that because Mr. Gingrich was going to teach without receiving any compensation, the Speaker did not need the Committee's approval to teach the course. Id.; Gingrich Dec. 8, 1994 Letter to McDermott at 2 (Ex. 2).³

² At Rep. Hobson's request, Mr. McCarthy memorialized the consultations he had with Mr. Gingrich and his staff during the summer of 1993 concerning the Speaker's proposed academic activities. The Speaker has repeatedly sought to obtain a copy of Mr. McCarthy's letter, but to date the Committee has declined to provide him with a copy. Exhibit 6 is a computer print-out of Mr. McCarthy's December 1, 1994 letter to the Committee that the Speaker's counsel received from Mr. McCarthy on March 22, 1995.

³ Mr. McCarthy further informed the Speaker that because the Renewing American Civilization course is academic in nature, the Speaker could teach the course consistent with House rules even if he were being compensated. McCarthy Dec. 1, 1994 Letter to Representative Hobson at 1 (Ex. 6). See also id. at 2 (concluding that "the educational nature of the course . . . [speaks] for itself").

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 10

Moreover, after being informed that the Speaker planned to raise funds for the course through charitable organizations, Mr. McCarthy confirmed that the Speaker could solicit funds through organizations duly qualified by the Internal Revenue Service. McCarthy Dec. 1, 1994 Letter to Representative Hobson at 1-2 (Ex. 6). The Speaker informed Mr. McCarthy that Jeffrey Eisenach was planning to leave GOPAC to direct fundraising efforts for the course; Mr. McCarthy advised that because Mr. Eisenach had never been a House employee, any fundraising on his part was outside the Committee's jurisdiction and therefore would not violate any House standards. Id. Mr. McCarthy also informed the Speaker that regardless of who solicited support for the course, the tax-exempt status of the project "would turn not on who did the fundraising but on how the funds were spent" Id. at 2.² Finally, Mr. McCarthy outlined what involvement

² Mr. McCarthy concluded that any possible GOPAC involvement in course fundraising "was irrelevant to the Committee." Gingrich Dec. 8, 1994 Letter to McDermott at 2 (Ex. 2). Mr. McCarthy was specifically asked

whether course organizers who simultaneously worked at GOPAC need reveal their dual employment to [the Committee]. Mr. McCarthy assured [the Speaker's staff] that such coincidences were irrelevant and not within the Committee's jurisdiction.

(continued...)

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 11

Mr. Gingrich's staff could have consistent with House rules in preparing and administering the course. Gingrich Oct. 4, 1994 Letter to McDermott at 1 (Ex. 1).

c. **The Speaker's Aides Briefed his Staff on House Rules Requiring Strict Separation Between Course and Official Business.**

Following these extensive consultations with the Committee's counsel, Mr. Gingrich's Administrative Assistant, Annette Thompson, briefed the Speaker's Washington, D.C. staff on what role they could appropriately play in contributing to the Speaker's course. Gingrich Oct. 4, 1994 Letter to McDermott at 1 (Ex. 1). Similarly, Mr. Gingrich's District Director, Linda Nave, briefed the Speaker's district staff on what course activities in which they could lawfully engage. Id. Finally, the Speaker's staff relayed Mr. McCarthy's guidelines to all of the charitable organizations which were planning to be involved in the course. In this way, Mr. Gingrich and his staff made great efforts to ensure that all of the people and entities planning to be involved

#(...continued)

Id. at 4-5.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 12

in Renewing American Civilization acted consistently with
House rules and standards.

d. The Speaker Provided Further Information to
the Committee.

Mr. Gingrich next wrote the Committee and provided
additional information on his proposed academic activities.
Gingrich July 21, 1993 Letter to McDermott (EX. 7). The
Speaker reiterated that he planned to allow some members of
his congressional staff to comment on the course's content
but that

I will not ask my staff to perform specific tasks
associated with researching or writing the [course]
presentations. Indeed, they understand that they
are not permitted to do this. Nor will
congressional staff be required to attend the class
or appear in connection with it.

Id. at 1-2.

In his July 21, 1993 letter, Mr. Gingrich also informed
the Committee that the Kennesaw State College Foundation
("KSCF") would be providing him with a content coordinator to
develop video and other materials for the course. Id. at 1.
Finally, Mr. Gingrich indicated that he planned to include
class lectures in Special Orders on the House floor. Id. at
2.

Exhibit 140

1140

1140

PFF
4359

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 13

2. The Committee Approved the Speaker's Participation
In Renewing American Civilization

On August 3, 1993, the Committee approved the Speaker's plans to develop, promote and teach Renewing American Civilization. McDermott and Grandy Aug. 3, 1993 Letter to Gingrich (Ex. 8).

Specifically, the Committee confirmed what Mr. McCarthy had indicated earlier that, because Mr. Gingrich was not being compensated for teaching the course, the Speaker did not need the Committee's written permission to proceed.^{2/} Well aware that Special Orders are published in the Congressional Record, the Committee also informed Mr. Gingrich that his plan to include course materials in Special Orders was "well within . . . [his] official prerogatives." Id. Finally, the Committee concluded that the Speaker could raise funds for the course through duly-qualified charitable entities, provided that

no official resources are used, no official endorsement is implied, and no direct personal benefit results. Assuming that your plans comply with these standards, no rule or law subject to

^{2/} The Speaker is hardly the first Member of Congress to teach a class while in office. Peter Applebome, "In Gingrich's College Course, Critics Find a Wealth of Ethical Concerns," New York Times, Feb. 20, 1995 at A12 (Ex. 9).

Exhibit 140

1141

1141

PFF
4360

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 14

this Committee's jurisdiction would prohibit you
from raising funds for Kennesaw State.

Id.

3. The Speaker Developed, Promoted and Taught Renewing
American Civilization Consistent With the
Committee's Guidelines

Following the Committee's approval, Mr. Gingrich began teaching Renewing American Civilization at Kennesaw State College during the fall, 1993 semester. The course was offered in the School of Business Administration for five quarter-hour credits. While the Speaker taught the course at the college, KSCF collected donations to support the course.

The KSCF, a duly-qualified 501(c)(3) educational organization, collects all private donations to Kennesaw State College. Serge Kovalski, "Ethics Complaint Places Gingrich in Odd Position," Washington Post, Dec. 1, 1994, at A31 (Ex. 10). The KSCF reportedly received one telephone inquiry from the Internal Revenue Service ("IRS") in November, 1993 concerning the foundation's relationship to Mr. Gingrich's course. According to James A. Fleming, KSCF's Chief Operating Officer, after college officials explained that the KSCF "was a repository for all private funds given

Exhibit 140

1142

1142

PFF
4361

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 15

to the school, including those for Gingrich's course, there were no follow-up [IRS] inquiries." Id.

Since 1994, the Speaker and Professor Kathleen Minnix have co-taught Renewing American Civilization at Reinhardt College in Waleska, Georgia. Since the course moved to Reinhardt College, financial support has been provided by the Progress & Freedom Foundation ("PFF").

The PFF was formed in April, 1993 by Jeffrey Eisenach and George "Jay" Keyworth, III, and is recognized by the IRS as a bona fide § 501(c)(3) educational organization. Neither Mr. Gingrich nor GOPAC had any involvement in founding the PFF, and the PFF has never received any funds or services from GOPAC, nor has it provided any funds or services to GOPAC.[§]

[§] It should be noted that when the PFF was formed in April, 1993, the Speaker had not yet decided whether to teach Renewing American Civilization. In addition, when Mr. Gingrich taught the course in the fall of 1993, the course was receiving full financial support through the KSCF. Accordingly, any allegation that the PFF was established solely to support the Speaker's course is baseless.

In fact, the PFF is currently involved in a wide variety of scholarly projects apart from the Speaker's course, including providing support for the Center for Political Renewal, funding a study of the federal system for approving drugs and medical devices, and supporting a project to rewrite the federal communications laws. Lee A. Sheppard,
(continued...)

Exhibit 140

1143

1143

PFF
4362

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 16

In the summer of 1993, before Renewing American Civilization had ever been taught, Mr. Gingrich's opponents sought ways to prevent the course from being offered at Kennesaw State College. Former Georgia Democratic Party county chairman Stephen Brunning attempted to derail the project by attacking the course in the press. Certain Kennesaw State College faculty members, insisting that Renewing American Civilization was politically biased, demanded that the Board of Regents for the Georgia State University System review all course materials before the course was taught. But when the Georgia Board of Regents and Kennesaw State College President reviewed the course materials, they rejected assertions of political bias and expressly approved the teaching of Renewing American Civilization. Tobin at 45 (Ex. 3).

⁸(...continued)
"Is Gingrich Think Tank Too Partisan for Exemption?" Tax Notes, Dec. 5, 1994 at 1173, 1174 (Ex. 11).

Although not legally required to do so, earlier this year the PFF disclosed extensive donor and funding information. The PFF reported that it raised a total of \$1.67 million in 1993-94 from nearly 100 donors. Of this amount, only 25% was used to support the Speaker's course. Glenn R. Simpson, "Gingrich Aided Pharmaceutical Firm That Later Contributed to Foundation," Roll Call, Jan. 5, 1995 at 1, 26 (Ex. 12).

Exhibit 140

1144

1144

PFF
4363

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 17

Having failed in their initial frontal assault, Mr. Gingrich's opponents next assailed the course through the back door. Juanita Powell Baranco, a former Clinton fundraiser, proposed legislation before the Board of Regents to bar elected officials from teaching at Georgia state colleges, regardless of whether the elected officials were compensated or of the officials' academic credentials and teaching experience. Without any prior notice, the Board of Regents approved this proposal, which affected Mr. Gingrich alone. Id. Thereafter, Mr. Gingrich began teaching Renewing American Civilization at Reinhardt College.

4. Renewing American Civilization is a Demanding Academic Seminar That has Been Offered for College Credit at Leading American Colleges and Universities

The Speaker's course has been offered for academic credit at over 20 colleges and universities in the United States, including the University of California at Berkeley, Clemson, Emory and Penn State. Tobin at 44 (Ex. 3). At each of these schools, students enrolled in the course work with full-time faculty members. Applebome at A12 (Ex. 9).

As a scholarly seminar offered for academic credit at the college level, the Speaker's course is non-partisan in tone and content. The Speaker holds a Ph.D. in history and

Exhibit 140

1145

1145

PFF
4364

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 18

previously taught for eight years in the Political Science Department at West Georgia College. In designing and writing the class lectures, Mr. Gingrich drew upon his prior experience as a scholar and teacher. Additionally, leading American political scientists, such as James Q. Wilson and Everett Carl Ladd, contributed to and reviewed the course's content and authored essays in a 250-page textbook which students read in conjunction with the Speaker's lectures.

In Mr. Gingrich's December 8, 1994 response to the initial complaint, he provided the Committee with video tapes of all course lectures and copies of the accompanying course textbook. The Speaker urges the Committee to review these materials and to note that:

- There are approximately as many references to Franklin Roosevelt, Jimmy Carter, and Martin Luther King, Jr. as there are to Ronald Reagan and Margaret Thatcher;
- None of the course material addresses specific political parties, nor are any critiques of modern leaders included; and
- Course registration materials do not target members of the Democratic or Republican parties, but instead reach out to those people who "believe it is impossible to maintain civilization with: 12-year-olds having babies; 15-year-olds killing each other; 17-year-olds dying of AIDS; and 18-year-olds getting diplomas they can't read." Renewing

Exhibit 140

1146

1146

PFF
4365

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 19

American Civilization Course Registration Materials (Ex.
13).⁷

Prominent scholars who have seen the Speaker's Renewing American Civilization lectures have concluded that the course is academic and not political in nature. David King, an assistant professor of public policy at Harvard University's John F. Kennedy School of Government, has concluded that the course is "not partisan It touts conservative ideas, but those ideas are never explicitly linked to the Republican Party." Peter Applebome, "Educators Divided on Course by Gingrich," New York Times, Feb. 20, 1995 at A12 (Ex. 14). Professor King has also concluded that no one can teach a political science course "without someone interpreting what you say in partisan terms." Kathy Alexander, "Gingrich's Notorious Course at End: For Now Students Praise Teachings and Teacher as he Takes Two-Year Break," Atlanta Journal-Constitution, Mar. 11, 1995 (Ex. 15).

Many of the students who took the Speaker's course for academic credit at Reinhardt College were highly enthusiastic about the course and regarded it as one the most challenging

⁷ As Ex. 13 demonstrates, the course solicitation and registration materials are completely non-partisan.

Exhibit 140

1147

1147

PFF
4366

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 20

and meaningful classes of their college careers. Student evaluation forms for the Spring 1995 term are attached as Exhibit 16. Many students found the reading and writing workloads excessive, commenting: "The scholastic demands are much more involved than I anticipated." Id. Some students viewed Renewing American Civilization as proper for those with a "true interest in history," while others saw it as "really a business course." Id. Students were universal, however, in answering course evaluation question number three. Question number three asked, "Is your experience of the course the same as what has been reported in the press?" Every single student evaluation answered "No," that "The course is not a political forum for Newt." Id. One student even complained that "I really was ready to argue political points, but I'm glad that he stayed away from those." Id. Students were likewise universal in their evaluation of the Speaker's rapport with students, commenting that they "knew he was a college professor, but [they] didn't really appreciate his vast knowledge and ability to use it in such a natural manner." Id. One student concluded, Mr. Gingrich "[o]bviously loves teaching." Id.

Exhibit 14c

1148

1148

PFF
4367

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 21

5. The Renewing American Civilization Lectures
Reference Certain Individuals, Entities and
Companies for Their Unique Contribution to American
Society

Periodically during the twenty-hour course, Mr. Gingrich makes brief reference to individuals, entities and companies who in their own way exemplify the Speaker's notion of American exceptionalism, inviting the specious allegation that Mr. Gingrich made these references in return for course donations. In fact, only four of the course's two dozen corporate sponsors were mentioned in the Speaker's lectures. Of the approximately \$660,000 that donors have contributed to the course to date, less than \$50,000 came from companies mentioned in the lectures. Applebome at A12 (Ex. 9).^{1/}

Additionally, all of the references to corporate entities in the course trace to examples of successful entrepreneurs and effective company practices that the Speaker cited in his original speeches on renewing American

^{1/} It should be noted that the Speaker, the KSCF and the PFF have solicited support for Renewing American Civilization from a broad range of prospective donors, including some which do not customarily support Republican or conservative projects. See Lee A. Sheppard, "Is Gingrich Think Tank Too Partisan for Exemption? Tax Notes, Dec. 5, 1994 at 1173, 1176 (Ex. 11) (noting that the American Political Science Association was solicited to support the course).

Exhibit 140

1149

1149

PFF
4368

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 22

civilization, which were conceived and written long before
Mr. Gingrich decided to teach a college course. Tobin at 45-
46 (Ex. 3).

All of the colleges which have offered the Speaker's
course for academic credit, including Reinhardt College, are
independent of Mr. Gingrich, as is the PFF. Mr. Gingrich has
been appointed Adjunct Professor at Reinhardt College, but
otherwise holds no title at the college. He has never been a
salaried employee of either Reinhardt College or of Kennesaw
State College. Other than co-hosting a television program it
produces, Mr. Gingrich has no formal affiliation with the
PFF, nor does he exercise control over it by informal means.
Mr. Gingrich has received no personal or financial benefits
whatsoever for teaching Renewing American Civilization.

From the time the Committee approved the Speaker's
course in August, 1993 until the initial complaint was filed
13 months later, Mr. Gingrich's office did not receive any
questions or concerns from the Committee regarding the
Speaker's development, promotion and teaching of Renewing
American Civilization.

Exhibit 140

1150

1150

PFF
4369

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 23

6. Ben Jones' Complaint and the Speaker's Extensive Responses

On September 7, 1994 -- just 62 days before the 1994 general election and two days prior to the deadline for filing complaints with the Committee -- Ben Jones, the Speaker's election opponent, filed the initial complaint.

Despite immediate electoral obligations, Mr. Gingrich conducted a thorough review of the development and implementation of Renewing American Civilization and submitted a detailed response to the initial complaint. Gingrich Oct. 4, 1994 Letter to McDermott (Ex. 1). The Speaker's review revealed that on exactly four occasions, human errors made by Mr. Gingrich's staff had resulted in the inadvertent use of \$12 worth of Congressional stationery and faxes for course purposes. To allay the Committee's concerns, Mr. Gingrich carefully explained each of the occasions in question -- including how each accident occurred and what measures were subsequently taken to prevent future mistakes. Mr. Gingrich promptly repaid the \$12 involved, and the staff errors have not been repeated.

On October 31, 1994, the Committee responded to the initial complaint and the Speaker's response thereto. The Committee informed Mr. Gingrich that

Exhibit 140

1151

1151

PFF
4370

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 24

[t]he Committee has reviewed your letter and the documents enclosed with it, and believes that these materials sufficiently answer most of the allegations raised in Mr. Jones' complaint. Specifically, in light of your letter the Committee believes that there is no need to look any further into the allegations that you used congressional resources for unofficial purposes, or that you used congressional resources for political purposes. While you have acknowledged that some congressional resources were used for unofficial purposes, you have reimbursed the U.S. Treasury, and have taken steps to ensure that these violations will not be repeated.

McDermott and Grandy Oct. 31, 1994 Letter to Gingrich at 1 (Ex. 17) (emphasis added).

After concluding that Mr. Gingrich did not misuse congressional resources in developing and teaching Renewing American Civilization, the Committee requested additional information on the charge that the Speaker improperly used tax-exempt foundations to obtain financial support for his academic activities.

On December 8, 1994, the Speaker provided the additional course information sought by the Committee. Gingrich Dec. 8, 1994 Letter to McDermott (Ex. 2). Specifically, Mr. Gingrich explained that:

- (1) "Renewing American Civilization" is an "educational activity," not a "political activity";
- (2) GOPAC did not create, fund, or administer "Renewing American Civilization"; and

Exhibit 140

1152

1152

PFF
4371

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 25

(3) Funding of "Renewing American Civilization" by tax-exempt foundations was at all times consistent with tax law and policy.

Id. at 1. The Speaker's December 8, 1994 submission to the Committee also included an opinion letter from former Internal Revenue Commissioner Donald Alexander, who confirmed that the manner in which funds were solicited to support Renewing American Civilization was consistent with federal tax law. Alexander Dec. 5, 1994 Letter to Gingrich (Ex. 18).

Despite the Committee's October 31, 1994 finding that Mr. Gingrich did not misuse congressional resources in developing and teaching Renewing American Civilization, and the Speaker's exhaustive submission on his appropriate use of tax-exempt foundations to support the course, on January 26, 1995 Democratic Whip David Bonior and Ben Jones filed the amended complaint.

Many of the allegations in the amended complaint are nothing more than regurgitations of the same charges that were included in the initial complaint, many of which the Committee found to be baseless months ago. Other charges, while formally presented for the first time, have been answered by the Speaker's prior two responses in this matter.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 26

Nevertheless, the Speaker hereby responds to these charges
for the third time.

DISCUSSION

I. THE COMMITTEE HAS PREVIOUSLY DETERMINED THAT THE SPEAKER
DID NOT MISUSE OFFICIAL RESOURCES IN DEVELOPING AND
TEACHING RENEWING AMERICAN CIVILIZATION

The complainants charge once again -- without providing
any additional evidence -- that the Speaker improperly used
official resources to teach Renewing American Civilization.

On October 31, 1994, the Committee ruled that there was
"no need to look any further into the allegations that . . .
[Mr. Gingrich] used congressional resources for unofficial
purposes, or that . . . [Mr. Gingrich] used congressional
resources for political purposes." See McDermott and Grandy
Oct. 31, 1994 Letter to Gingrich at 1 (Ex. 17). Despite the
Committee's express ruling, the complainants reallege the
same charges in their amended complaint.

The complainants cite five "examples" of alleged
instances in which official resources were used to subsidize
the Renewing American Civilization course. Four of these
examples were included in the initial complaint and were

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 27

addressed in depth in the Speaker's prior responses. See Gingrich Oct. 4, 1994 Letter to McDermott in passim (Ex. 1).

Unbelievably, the complainants now contend that even Mr. Gingrich's good-faith efforts to ensure strict separation between the course and official business also constitute improper use of official resources. Specifically, the complainants charge that "Congressional aide Linda Nave was tasked by Mr. Gingrich to meet with course officials on legal compliance and House rules" and that these meetings constituted the illegal use of official resources. Amended Complaint at 4.

As noted above, following the Speaker's consultations with Mr. McCarthy, members of Mr. Gingrich's staff -- including Ms. Nave -- briefed the Speaker's Washington, D.C. and district staff on the course guidelines that the Committee had established. See Gingrich Oct. 4, 1994 Letter to McDermott at 1 (Ex. 1). Incredibly, the complainants now seek to characterize the Speaker's efforts to educate his staff on complying with the House Ethics Committee's advice as an impermissible use of official resources. We strongly urge the Committee to reject this absurd contention.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 28

The Committee should also reject the allegations that GOPAC impermissibly supported Renewing American Civilization and that the Speaker commingled official and campaign funds. As was noted above, the Speaker's course received all of its financial support through the KSCF and the PFF, two duly-qualified § 501(c)(3) educational organizations; GOPAC has not been involved in course fundraising and has never contributed any money or services to the course. During a period of time, GOPAC and course organizers shared office space and equipment in Washington, D.C. However, strict accounting measures were employed to keep GOPAC and course expenses separate, and course officials reimbursed GOPAC for the course's share of office expenses. See July 21, 1993 Renewing American Civilization Expenditure Approval Request Form (Ex. 19) (reimbursing GOPAC for Federal Express expenditures). See also Jeffrey Eisenach American Express Corporate Card Account (Ex. 20) (separating course and GOPAC expenditures).

Mr. Gingrich also has employed strict measures to ensure that official and course resources are not commingled. As noted above, the Speaker uncovered four minor staff errors that resulted in the inadvertent use of \$12 worth of

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 29

Congressional stationery and faxes for course purposes. See Gingrich Oct. 4, 1994 letter to McDermott (Ex. 1). Given that Mr. Gingrich has reimbursed the United States Treasury the \$12 involved and that these minor errors have not recurred, the Committee rightly rejected this allegation last October and should do so again now.

Finally, the Committee should reject the charge that Mr. Gingrich unlawfully sponsored Renewing American Civilization through the use of official letterhead. Mr. Gingrich has never stated or even suggested that his academic activities bear the endorsement of the United States Congress, and the complainants offer no evidence to the contrary. Renewing American Civilization is an academic seminar that has been offered at many of the nation's leading universities and has been supported by duly-qualified § 501(c)(3) educational organizations. The allegation that the Speaker has unlawfully sponsored the course is frivolous and should be dismissed.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 30

II. THE COMMITTEE HAS ALSO ALREADY RULED THAT RICHARD BERMAN'S
CONTRIBUTION TO THE KENNESAW STATE COLLEGE FOUNDATION WAS
CONSISTENT WITH HOUSE RULES AND FEDERAL LAW

The complainants reallege -- again without offering any additional evidence -- that Mr. Gingrich helped Mr. Richard Berman secure a position as a witness at a House committee hearing in return for a \$25,000 donation to the KSCF.

The Speaker fully addressed this charge in his first response to the initial complaint. See Gingrich Oct. 4, 1994 Letter to McDermott at 5-6 (Ex. 1). Specifically, in early 1993, Mr. Berman heard Mr. Gingrich speak of his plans to teach Renewing American Civilization, expressed an interest in supporting the course, and was solicited to make a donation to the KSCF. Neither the Speaker nor any of his staff used any official resources in soliciting Mr. Berman's donation. Unfortunately, Mr. Berman inadvertently sent his donation to Mr. Gingrich's office in Washington. The KSCF promptly removed the donation from the Speaker's office. More importantly, Mr. Gingrich did not assist Mr. Berman in any respect in his attempt to appear as a witness at the committee hearing. Moreover, no one in Mr. Gingrich's Whip Office can recall assisting Mr. Berman either. In fact, Mr. Berman has been quoted as saying:

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 31

The crime here is that I save 29 cents and
penciled one note on top of another
Anybody who understands this town understands that
people do not pay \$25,000 to appear at a
subcommittee hearing on drunk driving.

Stephen Engelberg, "Top Democrat Seeks Outsider for Ethics
Inquiry on Gingrich, New York Times, Dec. 9, 1994, A30 (Ex.
21).

In light of these facts, the Committee ruled last autumn
that there were no grounds to pursue the matter further. See
McDermott and Grandy Oct. 31, 1994 Letter to Gingrich (Ex.
17). Given that the complainants provide no additional
evidence for this charge, the Committee's earlier ruling
should stand.

III. THE MANNER IN WHICH FUNDS WERE SOLICITED IN SUPPORT OF
THE SPEAKER'S COURSE WAS FULLY CONSISTENT WITH FEDERAL
TAX LAW AND HOUSE RULES

The amended complaint charges that because Renewing
American Civilization is a partisan political activity, the
fundraising efforts of the KSCF and the PFF violate federal
tax law.

As noted above, Mr. Gingrich sought and obtained the
Committee's advice on how to lawfully solicit funds in
support of Renewing American Civilization. Prior to the

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 32

Speaker teaching the Course, the Committee, relying on the Ethics Manual for Members, Officers, and Employees of the U.S. House of Representatives, 102d Congress, 2d Session at 51 (1992) ("House Ethics Manual"), informed Mr. Gingrich that he could lawfully solicit funds for the course through duly-qualified charitable entities. See McDermott and Grandy Aug. 3, 1993 Letter to Gingrich (Ex. 8). The Committee specifically informed Mr. Gingrich that:

Members, officers, and employees of the House may solicit funds on behalf of charitable organizations qualified under §170(c) of the Internal Revenue Code, provided that no official resources are used, no official endorsement is implied, and no direct personal benefit results.

Id. (emphasis added).

The Speaker relied on and complied in good faith with the Committee's advice.² Mr. Gingrich's solicitations on

² It should be noted that under Rule 3(b) of the Committee on Standards of Official Conduct, "[t]he Committee may take no adverse action in regard to any conduct that has been undertaken in reliance on a written opinion if the conduct conforms to the specific facts addressed in the opinion." See also House Ethics Manual at 173 (noting that "[a]n individual who acts in good faith in accordance with a written advisory opinion shall not be subject to any sanction under the [Ethics in Government] Act." These provisions act to encourage public officials, as Mr. Gingrich did here, to seek Committee approval confirming that their proposed outside activities are consistent with all House rules and standards. These provisions are also designed to protect (continued...)

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 33

behalf of KSCF and PFF strictly adhered to the Committee's August 3, 1993 guidelines and are otherwise permissible under House Rules and standards. Both the KSCF and PFF are duly-qualified § 501(c)(3) educational organizations, and all of Mr. Gingrich's fundraising efforts for Renewing American Civilization were through these two foundations. In addition, the Speaker employed scrupulous measures to ensure that no official resources were used to support the course. Moreover, the Speaker has never stated or even implied that the United States Congress is sponsoring his academic activities. Finally, Mr. Gingrich has derived no financial benefits whatsoever from teaching the course.

Revealingly, the IRS has not seen fit to investigate the charge that the KSCF's and PFF's support of the Speaker's college course violates federal tax law, despite the considerable publicity this matter has received. As noted above, the KSCF has received only one telephone inquiry from the IRS concerning Renewing American Civilization. After the

²(...continued)
from prosecution those officials, again like Mr. Gingrich, who act in conformity with a Committee opinion letter. Clearly the on-going prosecution of Mr. Gingrich in this matter threatens the integrity of the Committee and runs counter to these provisions.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 34

KSCF provided information on the Speaker's course, the IRS has conducted no follow-up inquiries. See Kovalski at A31 (Ex. 10). Moreover, the IRS has made no inquiry concerning the PFF's role in raising funds for Renewing American Civilization.

Finally, former IRS Commissioner Donald Alexander has recently confirmed that the manner in which funds were solicited to support Renewing American Civilization complied with federal tax law. See Alexander Dec. 5, 1994 Letter to Gingrich (Ex. 18).¹⁰

The allegation that GOPAC funded and sponsored the Speaker's course in violation of federal tax law is also unfounded. As noted previously, GOPAC has had absolutely no role in funding, promoting, or administering Renewing

¹⁰ As Commissioner Alexander points out, the IRS broadly construes the term "educational" in § 501(c)(3) of the Internal Revenue Code:

An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion.

Reg. § 1.501(c)(3)-1(d)(3)(i).

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 35

American Civilization. The course has been entirely funded through the KSCF and the PFF. A list of the course's 1993-1994 donors is included in Exhibit 22. GOPAC's decision not to contribute to the KSCF and PFF was not based on tax law considerations, as the law currently allows such donations.¹⁴ GOPAC did not become involved in the Speaker's academic affairs because it is a political organization whose interests are not advanced by this non-partisan educational endeavor.

As a political action committee, GOPAC likewise did not assist in course administration. Conclusions drawn from the fact that certain individuals inadvertently continued to use GOPAC stationery and fax machines and that GOPAC and course organizers shared office space -- which appears to be the sole basis of the complainants' allegations -- are superficial and irrelevant.

The Renewing American Civilization course and GOPAC have never had any relationship, official or otherwise. GOPAC's business is politics. The Speaker's course is educational

¹⁴ In fact, money collected by GOPAC for the purpose of contributing to the KSCF, PFF or any other § 501(c)(3) educational foundation would be excluded from GOPAC's taxable income under Internal Revenue Code § 527. See IRS Letter Ruling 9409003, Feb. 26, 1993.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 36

and non-partisan. Anticipating media or political attempts to link the course to GOPAC, course organizers went out of their way to avoid even the appearance of associating with GOPAC. Prior to becoming Course Project Director, Jeffrey Eisenach resigned his position at GOPAC and has not returned.

Most importantly, prior to teaching the course, Mr. Gingrich asked the Committee's counsel, Mr. McCarthy, whether course organizers who worked at GOPAC needed to reveal their prior employment to the Committee. The Committee's counsel assured the Speaker that such coincidences were irrelevant and not within the Committee's jurisdiction. See Gingrich Dec. 8, 1994 Letter to McDermott at 2 (Ex. 2). Accordingly, the Committee should dismiss these allegations.¹²

¹² It should be stressed that the Renewing American Civilization course bears absolutely no relation to the course at issue in the American Campaign Academy case. First, as a course designed to train individuals for careers as political campaign professionals, the American Campaign Academy was never recognized by the IRS as a 501(c)(3) entity. As noted above, both the KSCF and PFF have been certified by the IRS as 501(c)(3) educational foundations.

Second, unlike the American Campaign Academy course, the Speaker's course is a bona fide academic undertaking that has been offered for full or partial credit at leading colleges and universities throughout the country. The course textbook, a copy of which was included in the Speaker's December 8, 1994 response to the initial complaint, includes scholarly articles written by leading academics and
 (continued...)

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 37

¹²(...continued)
political theorists.

Renewing American Civilization provokes ideological debate that transcends party lines. As the course textbook indicates

[The Renewing American Civilization course] is a four-year effort to understand the Pillars of American Civilization and to engage in a conversation -- ultimately with tens of thousands of American citizens -- about how those pillars can be applied to renew our civilization and create progress and freedom for our descendants. Its goal is to profoundly redirect the American civic discussion by focussing on solutions, not problems, and by constructively debating the nature of the future rather than arguing pointlessly about the mistakes of the past.

Eisenach and Hanser, eds., "Readings in Renewing American Civilization" at 5 (1993).

Project director Eisenach reiterated this philosophical mission in at least one solicitation letter to potential course contributors:

The goal of the project is simple: To train, by April 1996, 200,000+ citizens into a model for replacing the welfare state and reforming our government.

Eisenach July 21, 1993 letter to Vinovich (Ex. 23). Because Renewing American Civilization has never been a partisan endeavor, no mention of partisan politics was made in Mr. Eisenach's solicitation letter.

Moreover, the complainants have not identified a single partisan political operative who was trained by taking the Speaker's highly academic course. By contrast, the entire mission of the American Campaign Academy was to train party operatives.

(continued...)

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 38

IV. THE SPEAKER DID NOT IMPROPERLY SOLICIT THE BUSINESS
ROUNDTABLE AND THE MANAGED FUTURES ASSOCIATION.

On December 22, 1994, Mr. Gingrich addressed several CEOs from the Business Roundtable. On January 11, 1995, the Speaker appeared via satellite hook-up before members of the Managed Futures Association. During these two speeches, the Speaker indicated that the Republican Party could benefit from the private sector's downsizing expertise and stated that people in the audience who wanted to learn more about his political philosophy could purchase and watch videotapes of the Renewing American Civilization course lectures. Neither one of these meetings was clandestine, and both were subsequently reported in the press. See Wall Street Journal, Dec. 23, 1994 at A1 (Ex. 24); Kevin Pendley, Knight-Ridder Financial News, Jan. 14, 1995 at 1 (Ex. 25).

Based solely on the news coverage of these two speeches, the complainants charge that the Speaker's remarks constituted: (1) "operation of an unofficial office

17(...continued)

In light of these facts, any attempt to equate the Speaker's course with the course at issue in the American Campaign Academy case is unavailing.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 39

account;" (2) receipt of compensation through improper exertion of influence; and (3) acceptance of favors or benefits that might be construed as influencing performance of governmental duties. Amended Complaint at 10-12. These allegations lack foundation and should be dismissed.

A. Mr. Gingrich Neither Received Nor Solicited Assistance from Private Outside Resources to Supplement His Official Staff Resources

House Rule XLV prohibits Members from maintaining "unofficial office accounts." An "unofficial office account" is formally defined as:

[A]n account or repository into which funds are received for the purpose of defraying otherwise unreimbursed expenses allowable under section 162(a) of the Internal Revenue Code of 1954 as ordinary and necessary in the operation of a congressional office.

House Rule XLV(4)(a).

As the Committee has clearly stated, Rule XLV simply prohibits "private supplements to the funds available to Members through their clerk hire and official expenses allowances." House Ethics Manual at 195. Prohibited supplements include both goods and in-kind services. See Select Committee on Ethics Advisory Opinion No. 6 (May 9, 1977).

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 40

The complainants' initial accusation is based on two sentences in a Wall Street Journal article that describes the Speaker's meeting with the Business Roundtable CEO's. See Wall Street Journal, Dec. 23, 1994 at A1 (Ex. 24). The article states that:

[Gingrich] asked the executives to lend the new GOP Congress their best "downsizers" to help him trim the deficit and the bureaucracy. Congressional aides try to figure out how the detailees could be used under House rules, and the executives wonder how seriously to take the request.

Id.

As the complainants are well aware, the attendees at these two speeches did not subsequently establish a "downsizing" task force at the Speaker's disposal, nor did they lend or give the Speaker's offices any personnel or supplies. No private supplements were made to the funds and resources available to the Speaker. No surreptitious staffers swelled the House's ranks. Thus, even if the Speaker had sought to publicly flaunt House Rules and establish an unofficial office account, no such account was ever created.

The facts clearly show that Mr. Gingrich did not seek to supplement his staff or its resources by enlisting the assistance of the Business Roundtable or Managed Futures

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 41

Association. The Speaker's remarks to these organizations merely sought to impress upon them his long-standing belief that the federal government bureaucracy and federal deficit are too large, and that the Republican Party is best able to remedy these problems. Needless to say, the allegation that the Speaker's speech to these two corporate entities violates House rules is utterly preposterous and utterly without foundation.

B. Mr. Gingrich's Solicitations on Behalf of the
Renewing American Civilization Course Were Entirely
Proper

The complainants also allege that the Speaker's reported promotion of course videotapes violated House Rule XLIII's prohibition against receiving compensation "which would occur by virtue of influence improperly exerted from one's position in Congress." Amended Complaint at 13.

Mr. Gingrich has received absolutely no compensation for teaching Renewing American Civilization, and he has not benefitted financially from the sale of any course materials. In addition, the Speaker does not receive any royalties for the sale of course text books and videotapes. Moreover, Renewing American Civilization has been funded entirely by

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 42

the KSCF and PFF, both of which are duly-qualified tax-exempt educational foundations.

Speaker Gingrich's solicitations on behalf of these two educational foundations are quite proper under House Rules, as the Committee properly advised the Speaker before he began teaching Renewing American Civilization. See McDermott and Grandy Aug. 3, 1993 Letter to Gingrich (Ex. 8). The House Ethics Manual plainly states that:

Members, officers, and employees of the House may solicit funds on behalf of charitable organizations qualified under §170(c) of the Internal Revenue Code, provided that no official resources are used, no official endorsement is implied, and no direct personal benefit results.

Id. at 51 (emphasis added).

In deciding to help raise funds for Renewing American Civilization, Mr. Gingrich relied on and complied in good faith on the House Ethics Manual and on the Committee's oral guidance and written opinion letter. Mr. Gingrich's suggestion that members of the Business Roundtable and Managed Futures Association purchase course videotapes to

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 43

learn more about his academic ideas falls squarely within the Committee's guidelines and advice and is otherwise lawful.^{1V}

V. THE SPEAKER DID NOT IMPROPERLY INTERVENE WITH FEDERAL AGENCIES ON BEHALF OF ANY COURSE CONTRIBUTOR

The PFF is involved in a wide variety of scholarly projects apart from the Speaker's course. See note 6, SUPRA. One of the PFF's best known undertakings since the 1994 mid-term elections has been the Medical Innovation Project, a nonpartisan academic study of the Food and Drug Administration's ("FDA") process for reviewing and approving drugs and medical devices. See Lee A. Sheppard, "Is Gingrich Think Tank Too Partisan for Exemption?" Tax Notes, Dec. 5, 1994 at 1173 (Ex. 11). As would be expected, the PFF's Medical Innovation Project has received research funding from several biomedical companies that share the PFF's desire to

^{1V} Nor can complainants characterize these listeners' subsequent purchases, if any, of course videotapes as an illegal "honorarium" to the Speaker. The House Ethics Manual provides that:

{w}hile no honorarium may be received by a Member, officer, or employee, a payment may be made directly by the sponsor of an event to a qualified charitable organization in honor of an individual's speech, appearance or article.

Id. at 151.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 44

develop a less burdensome regulatory alternative to the current FDA bureaucracy. Contributors have included Burroughs Wellcome, the Genzyme Corp., Glaxo Inc., Solvay Pharmaceuticals, and Searle. See Simpson at 1, 26 (Ex. 12).

A number of leading politicians also support streamlining the FDA's burdensome regulatory processes. For example, Representative Thomas Bliley, Chairman of the House Commerce Committee, has declared: "My goal is to speed up approval of drugs and devices for the American people." Peter H. Stone, "Ganging Up on the FDA," National Journal, Feb. 18, 1995 at 410-14 (Ex. 26). The Speaker is another political leader who has long advocated FDA reform. Not surprisingly, when the Speaker read a New Republic article describing the inordinately lengthy pending FDA hearings on a home AIDS test, he decided to act. Hanna Rosin, "Bad Blood: AIDS Activists vs. the HIV Home Test," New Republic, June 27, 1994 at 12 (Ex. 27). The Speaker wrote a letter to Clinton Administration Chief of Staff Leon Panetta, urging swift FDA approval of the product. See Stone at 410-14 (Ex. 26).

Some time thereafter, unbeknownst to Mr. Gingrich, the manufacturer of the home AIDS test, Direct Access Diagnostics, made a contribution to the PFF, perhaps in

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 45

support of the Medical Innovation Project. Like so many other biotechnical companies, Direct Access Diagnostics seeks more efficient regulatory review for pharmaceutical products. The PFF Project undoubtedly offered an ideal scholarly vehicle to explore alternatives.

Mr. Gingrich did not solicit Direct Access Diagnostics' contribution to the PFF. In addition, Direct Access Diagnostics did not consult with the Speaker when it made its donation to the PFF.¹⁴ As with any private company that independently decides to contribute to a charitable organization, Direct Access Diagnostics saw no need to consult with the Speaker before donating to a § 501(c)(3) educational foundation that was providing support to a scholarly project.

Moreover, the PFF has never sought the Speaker's approval before accepting a contribution from any private company. Although Mr. Gingrich supports some of the PFF's nonpartisan projects, the Speaker is not involved in making policy decisions for this educational foundation. Finally,

¹⁴ In fact, Mr. Gingrich was not even aware that Direct Access Diagnostics had contributed to the PFF until the newspaper account relied on by the complainants was published.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 46

the PFF does not provide Mr. Gingrich with any salary, royalties, honoraria or financial compensation whatsoever.

The complainants nevertheless allege that the PFF's acceptance of a donation from Direct Access Diagnostics after Mr. Gingrich wrote his letter to Mr. Panetta concerning the in-home AIDS test creates the appearance that the Speaker was improperly influenced. This allegation is specious. Mr. Gingrich had already acted on behalf of Direct Access Diagnostics before any donation was made. In addition, the Speaker did not personally benefit from the company's donation to the PFF. Moreover, the Speaker did not solicit the company. Most importantly, Mr. Gingrich was not even aware that Direct Access Diagnostics had made a contribution to the PFF until the complaint and amended complaint were filed. Therefore, the charge that Mr. Gingrich acted on the Company's behalf in return for the contribution is totally implausible. The Committee should promptly dismiss the allegation.

VI. THE SPEAKER'S PARTICIPATION IN RENEWING AMERICAN CIVILIZATION REFLECTS CREDITABLY ON THE HOUSE AND OTHERWISE DOES NOT VIOLATE HOUSE RULE XLIII.

The final accusation levelled by Minority Whip Bonior and former Representative Jones is that Mr. Gingrich's

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 47

academic activities violate House Rule XLIII, cl. 1. Amended
 Complaint at 13. House Rule XLIII, cl. 1, declares that

[a] Member, officer, or employee of the House of
 Representatives shall conduct himself at all times
 in a manner which shall reflect creditably on the
 House of Representatives.

The complainants have cited absolutely no examples in
 which this provision has served as an independent basis --
 without the violation of other applicable House rules or
 standards -- for prosecuting a Member. Because Mr.
 Gingrich's participation in Renewing American Civilization
 does not violate any applicable House rule or standard, Rule
 XLIII is not triggered.

If anything, the complainants' conduct in bringing a
 series of baseless and unsubstantiated ethics charges against
 the Speaker fails to reflect creditably upon the House. More
 than one observer has suggested that the multitude of ethics
 complaints that have been lodged against Mr. Gingrich are
 purely political prosecutions intended to reduce his
 legislative effectiveness and derail his conservative agenda.
See John Henderson, "We'll Find Some Dirt on Gingrich,
 Democrats Promise Party Faithful," Miami Herald, Feb. 21,
 1995 (Ex. 28); Hugh McDiarmid, "Gingrich-Bonior Feud Has Deep
 Roots," Detroit Free Press, Jan. 24, 1995 at 1B (Ex. 29).

Exhibit 14C

WILEY, REIN & FIELDING

Representative Nancy Johnson
 Representative James McDermott
 March 27, 1995
 Page 48

Specifically, Florida Representative Harry Johnston -- who filed one of the pending ethics complaints against the Speaker -- recently acknowledged that people have been assigned by House Democrats to "investigate" Mr. Gingrich on a daily basis. Johnston has reportedly stated that Democrats

meet once a week to go over what [Gingrich has] done through the week. . . . We're going to stay on his back until [an independent counsel appointment] is done.

See Henderson (Ex. 29). And still another observer suggests that "[t]he fact that the allegations are false is immaterial to [Representative David] Bonior, so long as the polling data turns out right." See Tobin at 48 (Ex. 3).¹⁵ Finally, Democratic leaders and the Democratic National Committee have

¹⁵ In fact, the New York Times recently reported that

Mr. Bonior himself did not appear to have researched all of his charges [against the Speaker] thoroughly. . . . In response to questions from reporters, Mr. Bonior said he did not know who Mr. Berman was or what was being referred to in the handwritten portion.

Engelberg, at A-30 (Ex. 21). Mr. Bonior's failure to adequately research the baseless and unsubstantiated charges he has lodged against the Speaker may itself violate House rules. See Rule 14(4) of the Committee on Standards of Official Conduct (prohibiting Members from filing complaints which contain "innuendo, speculative assertions, or conclusory statements").

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 49

reportedly established "The Project," which has been described as a "coordinated, calculated effort that would culminate in the political destruction of Newt Gingrich." Robert Novak, "Democrats Target the New Speaker," Washington Post, Feb. 27, 1995 at A19 (Ex. 31).

Surely it does not "reflect creditably on the House of Representatives" to file groundless and unsubstantiated ethics charges purely out of partisan motives. In addition to dismissing the pending complaints against the Speaker, the Committee may wish to consider whether disciplinary action against these complainants is warranted.

CONCLUSION

In 1993, between May and August, this Committee extensively reviewed and approved in writing Newt Gingrich's ambitious plan to teach Renewing American Civilization. The Committee told Mr. Gingrich that:

1. He could teach the course;
2. He could raise unlimited funds to finance the course; and
3. He could even teach all 20 hours of the course on the floor of the House during Special Orders.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 50

The complainants seek to retroactively repeal the Committee's approval. Last week Mr. McDermott, the chairman of the Committee in 1993, was quoted in the press comparing the Committee's approval as permission to take a "trip to Seattle." Phil Kuntz, "Gingrich Offers First Detailed Defense Against Ethics Complaints by Democrats," Wall Street Journal, Mar. 24, 1995 (Ex. 30). Aside from the dubious propriety of a current member of the Committee commenting on and seemingly prejudging this case, the analogy is silly on its face. A more accurate analogy would be the committee granting broad permission to a member to take a trip to Seattle, to raise money to finance the travel, and then to give speeches on the floor of the House describing each minute of the six or seven hour flight to Seattle and its significance. Would the Committee, upon the filing of a complaint, subsequently suggest that it only gave approval for "a trip to Seattle"?

The complaint, Mr. McDermott's public statements, and indeed the steady leaks of selected information from the Committee, have made a mockery of the Committee's advisory function. There is more at stake in this case than Newt Gingrich. Every Member of the House is affected. How can a

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 51

Member of Congress ever rely on the Committee's advice if the Committee will not stand by it? To what extent are Committee Members and staff prepared to repudiate their own knowledge and actions to fan the flames of partisan mischief and personal animus?

If the Committee has concluded that its written and oral advice to Newt Gingrich was mistaken, it prospectively can recommend changes to the House rules. If Members should not teach courses on either a paid or unpaid basis, the House rules should be modified accordingly. If Members should not solicit donations from bona fide charitable and educational organizations, the House rules should likewise be modified.

Yet, until and unless the House rules are changed, they should be applied fairly to all Members. It does not reflect creditably on the House for the Ethics Committee to abdicate its duties to accurately advise Members on whether their proposed conduct is consistent with all applicable House standards. The Committee should accept responsibility for its advice and maintain a commitment to a reliable advisory process for all Members of the House.

Exhibit 140

WILEY, REIN & FIELDING

Representative Nancy Johnson
Representative James McDermott
March 27, 1995
Page 52

For all the foregoing reasons, the Committee should
dismiss the amended complaint.

Sincerely,


Jan Witold Baran

Exhibit 140

EXHIBIT 141 *h&D*

VT GINGRICH
SIXTH DISTRICT, GEORGIA

THE SPEAKER

WASHINGTON OFFICE
208 RAYBURN HOUSE OFFICE BLDG.
WASHINGTON, DC 20515-1006
(202) 225-4501



3823 ROBWELL ROAD
SUITE 200
MANASSA, VA 20108
(703) 565-6398

Congress of the United States House of Representatives

October 31, 1996

The Honorable Porter Goss and The Honorable Benjamin Cardin
U.S House of Representatives
Committee On Standards of Official Conduct
Washington, D.C. 20515

Dear Mr. Goss and Mr. Cardin:

In response to your letter of October 1, I have searched my memory for any conversations or documents which relate to the preparation of the three letters (October 1, 1994, December 8, 1994 and March 27, 1995) you cite in your document request. I signed the first two letters and the third letter is signed by Jan Witold Baran.

As you know the first letter of October 4, 1994 was written during a Congressional campaign in response to allegations filed by my election opponent. At that time we were finishing up the congressional session and in addition to my duties as Republican whip and a candidate for re-election in my own district I was in the middle of a travel schedule which ultimately included over 130 congressional districts.

In this context of exhaustion and focused effort, I was surprised by my opponent's allegations and regarded them as totally spurious because I had already extensively consulted with the Standards Committee about teaching the course and raising money for the course on Renewing American Civilization.

As you may remember, the former Standards Committee attorney David McCarthy has reported that my staff and I wrote the Committee in the Spring of 1993 and met extensively with him. As he described our conversations he "offered my advice on every facet of the plan that I could identify, along with some facets that Mr. Gingrich and the others raised." McCarthy went on to note that I was so concerned that "Mr. Gingrich again brought up Eisenach and asked whether he should not get the Committee's written advice that Eisenach would be permitted to engage in the fund-raising. His concern seemed to be that Eisenach's identity with GOPAC, along with his fund-raising for the course through the college foundation, could open him to criticism that the motivation for the course was political. I replied that, in my judgement, Mr. Gingrich should not ask the committee to pass on the activity of Eisenach." (The letter is attached and explains more of Mr. McCarthy's reasoning).

When McCarthy was asked by the Democratic staff of the Committee about Eisenach's involvement he remembers, "My reaction

Exhibit 141

The Honorable Porter Goss and The Honorable Benjamin Cardin
 October 31, 1996
 Page 2

was, essentially, 'So?' I still saw no illegal or improper activity on the part of Mr Gingrich or anyone else."

After meeting with the Committee's attorney, I submitted letters to the Committee (e.g., July 21, 1993 attached), and on August 3, 1993 I received an answer from Chairman McDermott and Ranking member Grandy which stated "you do not need this Committee's approval. Moreover your intention to present your views in a series of Special Orders is well within your official prerogatives. As to your question on fund-raising, the Committee has previously determined that Members may solicit funds on behalf of charitable organizations qualified under #1701(c) of the Internal Revenue Code, provided that no official resources are used, no official endorsement is implied, and no direct benefit results." (letter attached).

Since I knew that we had proactively approached the Standards Committee, that, as Mr. McCarthy's letter notes, I had personally proactively raised every question I could think of, and that we had answered every question the Committee had raised I was frankly not very concerned about the overtly political charges of my election opponent.

I asked my Administrative Assistant, Annette Thompson, to consult with the appropriate people, including the Republican attorney for the Standards Committee and develop an accurate factual response. She showed me the draft of the response and I read it, found it accurate to the best of my knowledge, and signed it.

By the time of the December letter we had won control of the House and for the first time in forty years were in the transitional process of taking control. We were making literally hundreds of decisions including abolishing three committees, picking Committee chairmen, writing the proposed Rules of the House, planning to implement the Contract with America, including an intense opening day period of reform which included nine reforms in a session which would last until two in the morning.

In this setting we were puzzled by the Committee's continuing requests for more information. Note the attached letter from Bob Michel, the Republican Leader who had helped establish the Ethics Committee process and had both long and intimate knowledge of the Committee and an unimpeachable reputation for his concern about the ethical standards of the House (letter of November 15, 1994 attached).

In this context I asked my staff (led by Annette Thompson again, since on this topic she had been in the original meetings with Committee staff in 1993 and had the deepest institutional knowledge), and she worked with the law firm of Wiley, Rein and Fielding in developing the letter. Again I would have read the letter carefully and concluded that it was accurate to the best

Exhibit 141

The Honorable Porter Goss and The Honorable Benjamin Cardin
October 31, 1996
Page 3

of my knowledge and then signed it.

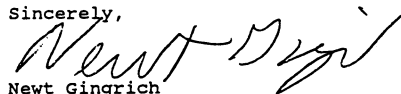
In the case of the March letter, we had developed a thorough relationship with Mr. Baran and his associates and I read the letter to ensure that it was consistent with my recollection of events at that time.

Thus, although I did not prepare any of the letters in question, in each case I reviewed the documents for accuracy. Further, in each case I relied upon staff or counsel who have a solid reputation for honesty, thoroughness and professionalism. Finally, in each case I was operating within a framework in which I knew we had proactively asked the Committee's advice and we had persisted in asking questions beyond those requested by the Committee staff.

We have relied upon tax attorneys, ethics attorneys, and campaign attorneys to ensure that we followed the rules and obeyed the law. We have proactively sought to cooperate.

I look forward to hearing from you in that spirit of cooperation.

Sincerely,



Newt Gingrich

Exhibit 141

DAVID J. MCCARTHY

3-22

For,
The enclosed print-out of my
12-1-94 letter to Dave Hobson is
still in my word processor. I did not
photocopy the original.

Dave

Exhibit 141

December 1, 1994

Dear Dave,

This is a follow up to our conversation yesterday when you asked me questions about the advice I gave Mr. Gingrich on his college course in Georgia. After he had written the Committee in the Spring of 1993 asking for approval to teach the course, Committee staff drafted an advisory opinion response which Mr. Grandy signed, but which Chairman McDermott did not want to sign until obtaining additional information from Mr. Gingrich.

Consequently, in early June I met with Mr. Gingrich, Annette Thompson (his A.A.), Linda Nave, and Jeff Eisenach who was in town from Georgia. I explained that the Committee was interested in obtaining some additional information about Mr. Gingrich's teaching plan, and offered my advice on every facet of the plan that I could identify, along with some facets that Mr. Gingrich and the others raised.

I explained the Committee's criteria for granting teaching waivers, i.e., Committee approval to accept compensation for teaching. I told Mr. Gingrich that his plan met the criteria, even though it had some novel collateral features. His response was that he was going to decline the college's compensation, in any event, so I advised him he did not need a teaching waiver.

I then asked him several specific questions to determine 1) whether he planned to use any official resources to support the teaching and, 2) whether he planned to use any unofficial resources to subsidize his official business. I recall some conversation about his interest in repeating his lectures in Special Orders on the House floor and how much he could refer to the course in official correspondence. He had explained that he would draw from lots of sources for his lectures but that, ultimately, the lectures would be his. I advised him that in my opinion he could deliver the Special Orders, but that if he were still concerned he might check with the Parliamentarian. I also told him that mailings mentioning the course should be cleared by the Franking Commission.

The discussion eventually turned to fundraising for the course. Jeff Eisenach began to volunteer details of how he contemplated fundraising, and I interrupted his explanation with a question, "are you on the House payroll?" When he answered that he was not, never had been, and did not ever expect to be I shifted the focus of the discussion by explaining that I was not interested in what Eisenach was planning to do, I was only interested in what Mr. Gingrich and any House employees were going to do. So I began to ask questions of Mr. Gingrich: "will you be signing any fundraising letters? Will you be making phone calls to prospective contributors? Will your name appear in any pamphlets or other

Exhibit 141

materials used for fundraising? If so, what entity will receive the donations?

Once it was clear that donations would be made to the college foundation, I advised them that Mr. Gingrich would be permitted to raise money for that purpose because the Standards Committee Advisory Opinion explicitly approved solicitations for organizations that the IRS qualified as tax exempt charities. In short, I told him that if the donor could deduct the donation from taxable income, then Mr. Gingrich could solicit the donation.

Then Mr. Gingrich again brought up Eisenach and asked whether he should not get the Committee's written advice that Eisenach would be permitted to engage in the fundraising. His concern seemed to be that Eisenach's identity with GOPAC, along with his fundraising for the course through the college foundation, could open him to criticism that the motivation for the course was political. I replied that, in my judgment, Mr. Gingrich should not ask the Committee to pass on the activity of Eisenach.

First, I explained that because Eisenach was not a Member, officer, or employee of the House his activity was really outside the Committee's jurisdiction. Secondly, I told him that, to my knowledge of tax law, the issue of whether the contributions in support of the course would keep their tax-deductible status would turn not on who did the fundraising but on how the funds were spent, and that the educational nature of the course spoke for itself. I told him that I was aware of no law or IRS regulation that would prevent Eisenach from raising charitable contributions even at the same time that he was raising political contributions. In any event, I advised him, I expected the Committee to stick by its advisory opinion in the Ethics Manual and not get into second-guessing the IRS on its determinations of tax-exempt status.

I also felt that because the Committee's written answer might decline to offer advice on Eisenach's fundraising activity -- it being outside the Committee's purview -- he might be just as well off not to raise the question in his letter. My experience was that Members found it annoying when the Committee in a written advisory opinion would explicitly decline to answer a question. I believe there was some brief discussion about Eisenach leaving GOPAC, in any event, in order to focus on the course fundraising.

The discussion on Eisenach actually consumed a small fraction of the time at this meeting.

I met again with Annette Thompson and Linda Nave in early July. At that meeting they showed me a draft of a follow up letter from Mr. Gingrich to the Committee. It included a lot of information that Mr. Gingrich had gathered to help the Committee answer his original letter on the subject. The purpose of the meeting was to determine if there was anything that had been left out or if there was yet any additional information the Committee needed. My reaction was that it was exhaustive.

Exhibit 14'

Now, to your second question: how much of this did I share with the Committee? I remember describing the first meeting Bernie in some detail, including both Mr. Gingrich's information response to my questions, and my advice to Mr. Gingrich. mentioned Eisenach's plans but did not dwell on that subject. focused on Mr. Gingrich's activities and the questions whether official resources would be used for the course and whether unofficial resources would be used for official activities.

At some point during that time frame I remember Bernie showing me a newspaper article mentioning, among other things, Eisenach and his fundraising for the course. My reaction was, essentially, "So?" I still saw no illegal or improper activity on the part of Mr. Gingrich or anyone else.

I hope this answers your questions. Please call me at 639-8815 if you have any more.

Warm regards,

The Honorable David Hobson
U.S. House of Representatives
Washington, D.C. 20515

Exhibit 141

THE REPUBLICAN WHIP
WASHINGTON OFFICE
2418 RAYBURN HOUSE OFFICE BLDG.
WASHINGTON, DC 20515-1008
(202) 225-4501



Congress of the United States
House of Representatives
July 21, 1993

The Honorable Jim McDermott
Chairman, Committee on Standards
of Official Conduct
HT-2, The Capitol

Dear Mr. Chairman,

This letter provides some additional information to clarify several issues about "Renewing American Civilization," the class I am teaching at Kennesaw State College this fall.

First, at present I have a formal agreement with the College to teach the class only for the Fall Quarter of 1993. (See Attachment 1.) However, it is my strong expectation, based on conversations with the President of the College and the Dean of the Business School, that I will be offered the opportunity to teach the class again during the Winter Quarters of 1994, 1995 and 1996, and I intend to accept that offer when it is made.

Second, the Kennesaw State College Foundation, a 501(c)(3) organization affiliated with Kennesaw State College, is providing me with a Content Coordinator to coordinate the videotape inserts and other materials that will be used in the presentations. While the Content Coordinator obviously will be involved in finding these materials and coordinating their use in the presentations themselves, she is not in any sense writing or drafting the presentations, which I am doing entirely myself.

Third, I expect that we will invite many people to comment on the content of the course, at every stage of the four-year process. Commentators will include people involved in state and local government, the private sector, academia and the Federal government, including Congressional staff (my own and others). These commentators will also include members of both major political parties. (For example, I have recently talked with both Pat Moynihan and John Lewis, who have agreed to serve in this capacity.) I expect to ask many people to review drafts of lectures and comment on them.

Fourth, to the extent my own staff are asked to comment on the class presentations, it will be in the same capacity as the dozens of other commentators -- i.e. to give their thoughts and offer broad comments and suggestions within their areas of expertise. I will not ask my staff to perform specific tasks

PRINTED ON RECYCLED PAPER

Exhibit 141

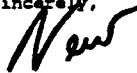
associated with researching or writing the presentations. Indeed, they understand they are not permitted to do this. Nor will congressional staff be required to attend the class or appear in connection with it.

Fifth, the class presentations are almost entirely new and original material and will not be derived in any direct or significant way from previous work by my staff or, for that matter, anyone else. (See the very early draft notes for the first presentation, and the "generic" outline for subsequent lectures, attached. These notes are entirely my own work, as all the lectures will be.)

Sixth, and finally, while I do intend to include much of the material from the class in Special Orders on the House floor, the Special Orders will, by their very nature, differ somewhat from the presentations. For example, the class presentations will include videotaped inserts on topics covered in the class, and these inserts will form the basis for much of the class discussion. Obviously, the Special Orders will not include these portions of the class presentations. Also, spontaneous student discuss and questions cannot be duplicated in a Special Order.

I hope this information is useful in your deliberations, and I look forward to hearing back from you in the near future.

Sincerely,



Newt Gingrich

Exhibit 141

ADAM L. BLOOM, Chairman
 ROBERT A. BENDER, Pennsylvania
 THOMAS G. BOWEN, Ohio

U.S. HOUSE OF REPRESENTATIVES
 COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT
 SUITE HT-2, THE CAPITOL
 WASHINGTON, DC 20518-6328
 (202) 226-7103

STEVEN SCHIFF, New Mexico
 EDWARD J. SCHWARTZ, Connecticut

August 3, 1993

The Honorable Newt Gingrich
 U.S. House of Representatives
 2428 Rayburn House Office Building
 Washington, D.C. 20515

Dear Colleague:

This responds to your letter of May 12, 1993, as supplemented by your letter of July 21, 1993, requesting advice on your proposal to teach a course on public policy issues at Kennesaw State College and to present the course material in a series of Special Orders in the House. You have also asked whether you may help Kennesaw State College raise funds for the course. Based on the facts that you have presented in your letters and in discussions with Committee counsel, our guidance is as follows.

Federal law (5 U.S.C. app. 7, § 502) and House rules (Rule XVII, cl. 2.(5)) require that Members who teach for compensation obtain the prior written approval of this Committee to do so. Since you propose to teach on an uncompensated basis, you do not need this Committee's approval. Moreover, your intention to present your views in a series of Special Orders is well within your official prerogatives. As to your question on fund raising, the Committee has previously determined that Members may solicit funds on behalf of charitable organizations qualified under § 170(c) of the Internal Revenue Code, provided that no official resources are used, no official endorsement is implied, and no direct personal benefit results. Assuming that your plans comply with these standards, no rule or law subject to this Committee's jurisdiction would prohibit you from raising funds for Kennesaw State. However, as would be true of any proposal to raise money, we suggest that you consult with the FEC to determine whether the regulations administered by that agency might apply.

If you have any further questions concerning this matter, please contact the Committee's Office of Advice and Education at extension 5-3787.

Sincerely,


 Jim McDermott
 Chairman

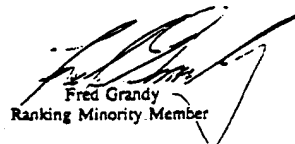

 Fred Grandy
 Ranking Minority Member

Exhibit 141

ROBERT H. MICHEL
18th District, Illinois

H-1231, 1st Floor
Washington, DC 20515-6537
11/15/94

Office of the Republican Leader
United States House of Representatives
Washington, DC 20515-6537

November 15, 1994

Honorable Jim McDermott
Chairman
Committee on Standards of Official Conduct
Washington, D.C. 20515

Honorable Fred Grandy
Ranking Republican Member
Committee on Standards of Official Conduct
Washington, D.C. 20515

Dear Messrs. McDermott and Grandy:

After the Washington Post story appeared, Congressman Gingrich provided me a copy of your October 31, 1994 letter and I feel compelled to respond.

First, I am deeply disturbed at the fact that this letter was leaked to the press. It is a violation of the rules of the Committee and demeans our procedures.

Second, the information you request goes to the legal status of a 501(c)(3) entity, an entity that I believe is outside the jurisdiction of the Committee on Standards. To my knowledge, there is no precedent for such an inquiry. The Committee has never launched a formal or informal investigation of such an entity. The Internal Revenue Service might be interested in the tax status of this particular group but it appears outside of your jurisdiction.

Furthermore, information is requested of individuals who are not currently Members, Officers, or employees and never were employees of the House, and, therefore, again outside the jurisdiction of the Committee.

Perhaps you are intrigued by the legal status of this 501(c)(3) given your interest as members of the Ways & Means Committee. In fact, the Ways & Means Committee is the proper forum to review whether the code properly defines the roles of tax exempt organizations.

Because I strongly believe that the Committee should not engage in determinations that are the clear responsibility of the Internal Revenue

Exhibit A1

1191

Page Two

Service, nor should they inquire into the activities of non-Members, officers, or employees of the House, this matter should promptly be dismissed by the Committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bob Michel".

Bob Michel
Republican Leader

Exhibit 141

EXHIBIT 142

Rep. Newt Gingrich Interview
By The Sentinel of Kennesaw State
Early July 1993

Gingrich: I can talk faster through the tape recorder than you can possibly write.

Interviewer: I hope you take pity on your future students too.

Gingrich: You brought a tape recorder. That's a good thing. You should bring a tape recorder to class.

Interviewer: O.K. When did you first come up with this idea?

Gingrich: Let's not for all dismiss it. Let's have for all the students to come to the class at Kennesaw to audiotapes for free, O.K., because I think your point's right. I guess that means the video stuff [inaudible]. I began to work with my wife Marianne in September of 1981 trying to figure out what we would have to do to complete the changes that Ronald Reagan had begun and in December of last year after the election we spent two days in a long lunch planning meeting and it just seemed to me that until we were able to explain the basic rules of American Civilization and how to renew American Civilization, until we were prepared to really talk about replacing the Welfare State and lay out the principles of how to replace the Welfare State that everything we were doing in politics was just noise -- that it wasn't solving anything and that we had to really -- it's sort of like when your car breaks down -- and you walk around and kick the tires -- you can slam the door but until you take out the manual and learn what's wrong with the engine you're not going to get it fixed and there is something that has gone wrong with the basic engine of America and so I decided that you couldn't do it in politics. You had to go back to the classroom because you had to talk intellectually about the framework of American Civilization and then -- I think it takes 20 hours and that's why we're doing a 20 hour lecture of material ...

Exhibit 142

and then once you have laid it out intellectually I think you can take that back into politics and start talking about legislation and bills and ideas. But, you first have to create the structure of ideas and I think that takes a college setting and a college environment to do it in.

Interviewer: Is this going to be a learning experience for you also?

Gingrich: It has been so far. I would not have believed in December when we set out to do this how much we would have to learn to just to get to do it. I'm reading things, talking to people. just talked to Alvin and Heidi Tofler (SP?) the author of Future Shock in the Third Wave. He helping us with ideas. I talked to Bill Bennett yesterday and Jack Kemp. I've had breakfast with Clarence Thomas at the Supreme Court and everyday I turn around and I'm learning new things and getting new ideas and it has truly been -- I feel almost like a guy whose at the end of a fire hose. All these ideas coming at me. It's very exciting. I think the most exciting thing I've ever done in my public career.

Interviewer: Are all these people confirmed to help you?

Gingrich: The ones I mentioned are all helping us.

Interviewer: Clarence Thomas.

Gingrich: Clarence Thomas I think will be on videotape. He said he would be and Bill Bennett and Jack Kemp will be on videotape. Alvin Tofler and Heidi will be on videotape. And Al and Heidi have agreed to critique the course. Bill Bennett and Jack Kemp are going to critique the course. So we've got some really first rate talent helping us.

Interview: And what about Dick Williams(sp?)? I read somewhere in some literature Mescon gave me.

Exhibit 142

Gingrich: Dick Williams is a great friend. I was with him last night when we brought home the Kamodo(sp?) dragons. He and his daughter came out to watch us and Dick said he'll be one of the critics - We're going to have a review panel that looks at the whole course and helps us think it through - and Dick says he'd be delighted to help us.

Interviewer: Now is this before or during?

Gingrich: Before

Interviewer: Before

Gingrich: We are going to spend August and early September. Right now what we're doing. I thought you might be interested - See - we're working right now on laying out the course. That's the general reviewer's. We are putting together the list of reviewers - a list of review people. Can you show her any example of sort of the first cut of the syllabus? This will give you a sense or taste of what we're doing. And we are going to work this afternoon on sections 2, 3, and 4 I hope. Section 2 for sure. So, we are going through and we're laying out step by step the whole course.

Voice: I'm glad I'm not taking it.

Gingrich: That's what July is like, okay. Then we spend August with our reviewers taking apart and telling us what to change and how to improve it and what to do with it.

Interviewer: Now these are just readings for each class?

Gingrich: Yes. Now they are not required readings. We will have a book of required readings that will be available; but that gives you a taste of the scale of the intellectual resources we're bringing to bear on the course.

Interviewer: All right. [Inaudible].

Exhibit 142

Gingrich: I think it's probably accurate that between Doctors Eisenach, Hanser and Gingrich, we have read every book on the list. This is not sort of go through the library and write books down. This is stand up and think to yourself, "What is it I read that somebody ought to be able to refer to?" So, it's a pretty massive project.

Interviewer: Are you finding new books also, besides --?

Gingrich: Yes. I have about 25 books I'm trying to read right now, which given my schedule is just crazy.

Interviewer: At one time?

Gingrich: No. I'm trying to read six of them at one time. But see I'm partly in Georgia, partly in Washington and partly in airplanes so I have different books in different places.

Interviewer: Okay. All right. Now is this going to be like a persuasive speech to convince your students?

Gingrich: No. It's going to be a presentation. I hope it will be persuasive in that -- Let me say first of all I am senior student - no one knows enough to teach *Renewing American Civilization*. The most you can do is start a dialogue -- so think of me as sort of the scout whose been down the trail further than anybody else in the room but nobody knows what the end of the story is and I hope to outline persuasively a general way of thinking but then we're going to teach this course four years in a row and one of my goals is going to be to say to the students -- we're going to repeat this everytime we teach it, every session -- this will be part of our opening -- that we hope everybody who is participating will feel free to contribute improvements and when we recruit reviewers we are just not recruiting them for the first course we are recruiting to help us think it through again each time so that over four years we will have a much stronger course in '96 than at the opening of '93.

Exhibit 142

Interviewer: And you and all these reviewers are doing this for free - you're just donating your time.

Gingrich: I'm doing it on my time. Different people I guess - Several people are basically working full time to hold this together. But we will probably have 5,000 people review in one form or another for free. A good example is a person like Alvin and Heidi Tofler who have coauthored now three best sellers. I mean this is not --They don't need the money but as patriots they want to help their country.

Interviewer: And, I heard that your going to televise just the first two hours of the broadcast.

Gingrich: Everyday, Every Saturday and then you're going to have the following two --

Interviewer: Every Saturday and

Gingrich: And I think Dr. Mescon is going to be teaching it at Kennesaw. In other words, I talked today with the Dean at DeKalb College. They are very excited about taking the course over there. They'll take the two hours by satellite and then they'd have a Professor on Campus teach the rest of it and Dr. Mescon will be teaching the rest of it here.

Interviewer: Oh, I see.

Gingrich: And, I think it will go more into a seminar-style at that point. What does all this mean? How to make it work. What do you think of it?

Interviewer: So Dr. Mescon will be the routine teacher at Kennesaw.

Gingrich: Right. And we've had inquiries from I guess the University of Michigan. Talked to somebody at Berkeley. I've talked to somebody at Harvard, I've talked to somebody at Claremont.

Voice: [Inaudible]

Exhibit 142

Gingrich: We've had about 300 inquires so far.

Interviewer: How are you going to test us in messages if your message gets across?

Gingrich: I don't know yet to be honest. Actually I would draw that into two parts. One is how do we test factually? Did you understand the concepts? The other is do you think they're right? How can you improve them? There are two different tests here. I suspect that we actually may have pretty standard tests. What is American civilization -- what does personal strength mean -- Give five examples of personal strength. I do think one of the things we underestimate under Reagan modern education is that you just simply have to learn the basics. You have to memorize them because there is no other way to learn them and you have to be able to put them together, and if you can't do that then being able to talk in a glib pleasant way about it a generality you don't understand is not very useful. Now once you've learned the basics then we want you to critically come back and say now let me tell you what I think about that. But first we would like you to learn it.

Interviewer: Will you be lecturing?

Gingrich: Part lecture, part videotape.

Interviewer: But you won't be an interactive thing with --

Gingrich: They'll be some interactivity in terms of questions, but we are not going to get into a debate during the two hours because frankly we are barely going to have enough time in twenty hours but I would encourage all of the team-taught parts to be a lot of dialogue and a lot of questions and a lot of clarification and we're working now on a system to tie together all the team teachers so that I will be getting feedback from everywhere on what didn't make sense, what makes sense, what was confusing.

Exhibit 142

Interviewer: How do you plan to control those who sign up for the course - just to argue with you?

Gingrich: That's easy. I'm not going to try to control. I don't think anybody is going to try to just argue. I feel this is not a course about arguing. This is a course about laying out a way of thinking about renewing American civilization and I think there is enough material there that I will be very surprised if very many students will want to argue once they understand how interesting it is.

Interviewer: Now _____ [inaudible] about American culture. Do you think your TV audiences might get more out of those you lecture.

Gingrich: I don't think so, I'm old fashioned enough to think that actually being live in person is more powerful than being on television. Television is very effective and I use it a lot but I think for the 150 students at Kennesaw it would be a slight additional attractiveness plus I suspect and we don't have this worked out yet, but I suspect that we will actually have sort of a precourse get together for anybody who wants to come early and this is after all 8:30 on a Saturday morning so we'll see how many -- but I suspect they'll be 45 minutes of just chatting beforehand so that the students at Kennesaw will have a unique opportunity to have interaction prior to the lecture itself.

Voice [inaudible]

Gingrich: okay, then we go up on television at 8:30a.m. So is that 8:00 to 10:30 then? Ok., good So the first half hour. In other words, what I want to make real sure of, because of my own background as a college teacher is that there is some opportunity for the students to interact directly with me and that the students who are at Kennesaw in the class have that unique extra opportunity.

Exhibit 142

Interviewer: Well, what are you doing with your political career while you're researching all this?

Gingrich: I do that while I'm researching all this. It's a big workload. I think ... I would guess that I average between 90 and 100 hours a week between the two.

Interviewer: When do you sleep?

Gingrich: Midnight to six.

Interviewer: That's a lot for what you're doing. Goodness gracious. Well about I've seen Dick Williams and Clarence Thomas. Are you going to have a balance of liberal ideas also.

Gingrich: No. I'm going to have Democrats but not liberal ideas.

Interviewer: O.K.

Gingrich: There is a difference. This course it's like a cooking course. Imagine you went up to a chef and said I know you're going to show us how to fix a really fine vichyssoise but aren't you also going to show us how to fix a bad one?

Interviewer: Uh-huh.

Gingrich: Okay, and my answer is no and the whole point of this course is that failed and I say to every audience if you don't think it failed, watch the evening news. I mean, if the murders and the savagery and the brutality you watch tonight on Atlanta television isn't a portrait of failure what would it take. I don't pick on some guy whose philosophy has failed. The Welfare state is going, it's failed, it's a joke, but it's a joke which kills people and ruins lives so no I have no interest, I'll be perfectly happy to debate a liberal outside the course on the course ideas but not in the course, this is a cooking course, this is about a philosophy and a formula for making America healthy again.

Exhibit 142

Interviewer: Is that what you hope it accomplishes?

Gingrich: Not the first year but I hope that by the end of the fourth time we teach it in April of 1996 that we will have created a movement which will do for the entire country what is happening for example in Jersey City where you have a reformed mayor whose changing the city dramatically and we are going to share his story and similar stories. He's already agreed to be on the program. Brett Schundler, the mayor of Jersey City. We hope to have those kinds of stories grow every year from now to 1996.

Interviewer: Now, how does your ideology from the one you're going to teaching in this course different from the general Republican?

Gingrich: Much more aggressively positive. I believe that we are in the business of replacing the Welfare state not opposing it. We are in the business of taking responsibility for the inner city not just talking about how bad it is. But I also say that as the Chairman of GOPAC which is the largest _____ in the country for Republicans that there is an amazing number of Republicans that share this ideology. Now if you were to talk about Jack Kemp, Bill Bennett, Governor Weld of Massachusetts, Governor England (sp?), Gov. Thompson in Michigan and Wisconsin, as I said Brett Schundler of Jersey City – we have a lot of people who now share these ideas.

Interviewer: They will all be in the inserts?

Gingrich: Not necessarily. We'll get as many of them in as we can. All those guys have said they'd like to so we are going to try to work it out with as many as we can. But we first have to say what do we want to say in twenty hours? And then who says it best? And then how do we get them on videotape?

Exhibit 142